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July 27, 2012

Testimony Before The Loft Board

To Whom It May Concern,

I have been living at 151 Kent Avenue, #202 for nearly nine years now. Until earlier this year, I was paying rent to 151 Kent Ave., LLC. Currently, I am paying rent to Kent Ave. Holdings, LLC. It is my understanding that the former had a net lease on the building, which recently expired. On 6/21/2010, my rent was \$3,100.00. 151 Kent Ave., LLC later raised it to \$3,224.00. I only recently discovered that they were not legally permitted to do so. I will soon begin the process of trying to recover the overcharge, although I am not clear as to how to do that or from whom I would should be recovering it, 151 Kent Ave., LLC or Kent Ave. Holdings, LLC. I am not even entirely sure if my rent on 6/21/2010 is a legally binding rent, seeing as I was paying rent to a primary tenant who did not actually live in the buliding.

Which brings me to the subject of clarity, and how it pertains to rule 2-12. For the average loft tenant, there is enough confusion already in understanding how the new rules will work. Requiring landlords to formally submit a rent adjustment form to the Loft Board before they can charge tenants 6/8/6 increase will eliminate some of this confusion. This will provide a public record of the date when the milestone improvements were made, providing clarity for all parties, thus benefitting everyone involved.

Thank you for your time.

Sincerely,



David F. Slone

Rule 2 - 12

Eliza Proctor
475 Kent Avenue
Brooklyn NY 11249
July 27, 2012

As the Loft Board, ^{you} have the perfect window of opportunity to peel back the hazy layers that cloud up the Rules of the Loft Law to make them crystal-clear for all involved.

Requiring a written ~~LLord~~ 'Loft Board approved' notification to tenants for any milestone reached with intent to request rent increase - while not a welcome sight in the mail, would give peace of mind on every other day of the week, month, year, decade, etc. We live (well, I live) daily with the 'fear' factor... the not knowing.

Please declare transparency by requiring Landlords to provide written notice of each milestone reached and notice of intent to increase rents.

TO YOU AND IN TURN TO US
^

Lastly, a concern regarding the right of LLords to seek compensation for retroactive costs:
Imagine this scenario:

- LLord makes a building uninhabitable, imminent danger declared, residents evacuated
- LLord required to cure the code violations
- Residents finally are allowed to return
- LLord negotiates new lease based on 'all the work he did' to allow us back in our homes.
- Resident agrees to huge rent increase.
- years later, the LLord is given the legal right to go back in time and collect AGAIN compensation for 'all the work he did'.

This is a real possibility.

I believe this is not fair or reasonable.

FRANKLY, IT'S DOWNRIGHT SCARY.

Lastly... Logic would suggest that if a landlord can demand retroactive costs to be covered by tenants, couldn't tenants demand retroactive negotiation of rent?

Thank you for your time and consideration.

Respectfully,

Eliza Proctor

Rule 2-12 Rent Adjustments

My name is Evan Feldman and I reside at 250 Moore St. in Brooklyn. In October 2011, my landlord told me that he was allowed to raise my rent 6% in accordance with the 6-8-6 increases entitled to owners under the loft law. As I understood, the first 6% increase occurs when building owners file for a work alteration permit. I agreed to the increase because my landlord was only raising my rent \$100 which was in fact less than 6% of my rent and because it was the first time my rent was being increased in four years. However, I never received, nor have I seen any proof of the owners of my building filing for a work alteration permit.

I am testifying in the hopes that the loft board requires that building owners be required to have some form of documentation that is both submitted to the loft board as well as served to affected building tenants when they reach the benchmarks that allow them to seek rent increases as they bring their buildings up to residential code. This will allow tenants to have proof that owners are doing the work they should be doing and are therefore entitled to the increases that they seek and it will also create a paper trail that might make the work of the loft board easier should disputes arise between tenants and landlords. If owners are seeking rent increases, tenants have a right to have documentation that owners have a right to these increases besides receiving an email from their owner simply telling them that they are entitled to an increase.

Testimony of Katherine L. Hill

Live/Work Resident of 72 Warren Street, New York, NY

Regarding Rule 2-12 Rent Adjustments

As stated in my last testimony, my name is Katherine Hill, I live at 72 Warren St. ^{my partner & I} have been Live/Work residents of Lower Manhattan for the past 18 years.

I testify before you today to request that the Loft Board instill a system to the Legalization Process that creates total accountability and transparency.

In order to instill accountability and transparency, on behalf of landlords to be entitled to legalization milestone increases, I believe it is imperative to institute a system where the landlord is obligated to formally request to the Loft Board a 6/8/6 increase, and in turn, notify his/her tenants of the achieved milestone and thus the next monthly rent due will include the specified increase(s). It also needs to be easy for the tenant to request documentation of the legal *TOTAL RENT* they are required to pay, according to Loft Board records.

I am not here to dispute the 6/8/6 increases (as much as I would love to!), just enforce some level of accountability so that no landlord can misrepresent their entitlement to an increase when the milestone was not fully achieved according to the Law.

This system could be as simple as a landlord submits a rent adjustment form to the Loft Board as well as the tenants notifying them of the milestone achievement. Only after a landlord submits the form should they get the increase.

I thank you for your consideration of this suggestion and for hearing all tenants testimony as it is imperative that the process in which tenants and landlords go through to achieve compliance, be as clear and easy as possible, leaving no room for confusion or ill intended interpretation.

Thank you.

Keith Sirchio
70 Commercial St. Tenant Association #307
Brooklyn, NY 11222

7/26/12

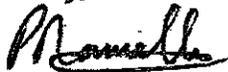
NYC Loft Board,

We are the 70 Commercial Street Tenant Association in Greenpoint, Brooklyn. We have filed our applications with the Loft Board and have been maintaining a close role in the process by attending meetings and hearings and appreciate everything the NYC Loft Board is doing to protect the rights of tenants and affording us a chance to keep our homes that we have worked so hard to build and stay in our wonderful communities.

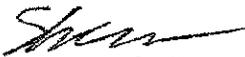
We are writing today with the concern over Rule 2-12 and the retroactive rent increases that landlords will be able to claim if stating they had reached a milestone months or years before. As the law now stands, it has the potential to financially devastate loft tenants. We hope that this part of the law can eventually be reviewed and struck from the final version, but in the meantime we believe there must be absolute transparency in this process so that the landlords can not hold out to whenever's convenient for them to blindside the tenants with an exorbitant bill for back-rent. They should be required to fill out a rent adjustment form and send it to tenants and the Loft Board. Only after they submit the form and it's confirmed that they actually reached a milestone should they get a rent increase. If there's a record of these requests, it would make things much easier to trace back any issues or problems along the way. It should also be easier for the tenants to contact the Loft Board and find out their legal rent.

Thank you again for your time and for all of the hard work that you've put into these issues that are helping to protect our livelihoods. With a few more refinements to the Loft Law, we feel everyone can benefit immediately and in the long run.

Sincerely,



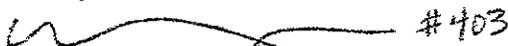
PABLO RAMELLA #201



TAL SHANTZER #105

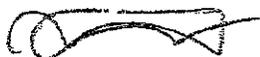


Keith Sirchio #307



ELIZABETH LONG

STEVE DUMMAIN #401



JAMES SWAN #305



LANCE SCOTT WALKER



#404



Testimony for Loft Board hearing of 7-27-12
Michael and Lynn Hassan
Residents: 70 Flushing Ave. 2C/2F
Brooklyn, NY 11205
hassanma@verizon.net
718-305-13202

Re. (6-8-6) 2.12

The problems I want to address relate to the issue of the landlord reporting the achievement of milestones and the way the added charges to the tenant for those milestones are charged.

1. Reporting the milestones:

There should be a procedure whereby the landlord reports the accomplishment of a milestone. A copy of the filing should be mailed to the tenant by certified mail. The tenants should be able to verify the basis of the filing. For example, if a plan has been filed with the Building Department, we should be able to see a record of it. I agree with Rachel that the landlord should be penalized for not filing in a timely fashion. What is timely would be a matter of the LB's determination. I think 1 month would be about right.

2. Charging for the milestones

a. a milestone can be charged only after its achievement has been filed with the LB.

b. retroactive charges for milestones: a maximum period should be set within which the landlord may charge retroactively for milestones they have not yet charged the tenant for. We imagine a scenario in which a period of many months, or perhaps even years, might go by during which a landlord does not charge the tenant, and then bills them for the entire amount due. This might impose an insurmountable financial burden on a tenant. I would propose a limit of two months for retroactive billing, after which the landlord no longer is allowed to bill the tenant for the milestone in question.

Re. 2.06

Limit of rent increases to 6-21-10

Confusion about whether or not we can now refuse rent increases asked for by our landlord after 6-21-10, or if we have to wait until the regulation is finally approved.

Like others, we have informed our landlord that we will not accept increases. In our case, I refused the increase for 2012, and the landlord has been billing me at the 2011 rate. In the last month, I paid at the 2010 rate.

According to 2.06, the landlord will be required to reimburse us for charges^s made post 6-21-10 once the regulation is approved. Our questions are: 1. Is there any chance that the

regulation will not be approved. 2. If it is not approved, will we be required to reimburse the landlord for increases we rejected, even though the landlord has implicitly accepted our refusal by billing us at last year's rate? 3. Even if the regulation is approved, can we be penalized for having refused to pay increase.



Dear Chairman LiMandri and members of the Loft Board:

The purpose of the Loft Law is to make buildings safe and bring order to a chaotic situation. One of the most chaotic and agonizing problems for loft tenants is the issue of rent, and the Loft Board has an opportunity to make more sense out of rent in Rule 2-12.

Loft landlords are used to asking for increases haphazardly, based on what they think they can get and how much they like particular tenants. In many or most loft buildings, the landlords are still asking for illegal increases two years after the law passed, even where tenants have told them they aren't allowed increases until they reach compliance milestones.

So heading into the IMD process it's still unclear when a milestone increase is due and what the legal rent is. The investigation is left entirely up to tenants.

We ask that the Loft Board bring a little bit of clarity to this situation. Please require that landlords notify tenants of milestone increases by filling out a form and sending copies to the tenants and to the Loft Board. And please provide a simple way for tenants to retrieve this information from their file. This is similar to how DHCR keeps track of rent rolls in rent stabilized buildings.

As we testified in previous hearings, tenants moving into covered units after June 2010 are often charged much more than the legal rent. Although they will still have to apply or be added to the building registration to find out their correct rent, having a record of the legal rent on file will bring them one step closer.

We are also concerned that landlords may be able to retroactively seek an increase months or years after the milestone has been reached. There is a big risk that landlords will use this to selectively drive out unwanted tenants after they forgot or neglected to seek the increase on time. We understand this problem is in the law itself, because it mandates the increase upon reaching the milestone. But please consider imposing a fine for engaging in this behavior.

Finally, we ask that the Loft Board allow written comment on this rule until Rule 2-01 has been considered, because these rules are tied tightly together. In particular it is unclear how the implementation of the new "no work" clause in the Law will affect rent adjustments.

Thank you,
NYCLT

Comments on proposed amendments to rule 2-12 of Title 29 of the RCNY

July 27, 2012

Rachel Fuentes – 62a Sullivan Street, Brooklyn, NY 11231

Thank you Chairperson, members of the Board, for the opportunity to speak before you today. My name is Rachel Fuentes. In the past two years, I have been a Loft Tenant Organizer, a Loft Liaison for a NYC Councilmember, and am now simply a rogue loft law advocate.

When we all first began working to implement the Loft Law of 2010, the number one question of Brooklyn Loft Tenants was “What is the Loft Law?” I am proud to say that now, at least in North Brooklyn, the number one questions are, “what is the legal rent in my unit under the loft law?” and “Is this increase my landlord is asking me for legal under the Loft Law?” The two hearings today seek to clarify those issues by rule. However, I believe that one further step is absolutely necessary to clarify those issues in practice. The Loft Board should require landlords to submit written notification to tenants and to the Loft Board when requesting any of the three code compliance increases.

As you have heard in testimony in the last two public hearings, many 2010 loft landlords are asking for illegal increases with little to no justification. Some reasons I have heard are “I could get more for this place”, “my real estate taxes went up”, or “my costs are going up because of the loft law”. At times these increases are actually permissible under the current code compliance increase schedule. However, there is currently no way for a tenant to distinguish between a code compliance increase request and other random increase requests and it is difficult to say whether a tenant can legally refuse a 5% increase “because the landlord can get more for the unit” when the landlord has already filed an AETI and is legally due a 6% increase. How much simpler and clearer if legal code compliance rent increase requests were submitted on a form approved by and filed with the Loft Board. This type of notification requirement is already well-entrenched in NYC and NYS regulations surrounding rent-stabilized units and could only serve to help loft law landlords to someday become responsible rent-stabilized landlords.

I know that the Loft Board staff field a number of these questions as well (because I tell tenants to call the Loft Board). It is equally unclear for them and the situation gets further complicated when tenancies change. Files kept at the Loft Board currently do not include any increases requested and accepted during the legalization process and so the rents being paid by tenants are often inconsistent with the records the Loft Board maintains on legally permissible rents. If the Loft Board required a formal notification of the request for a milestone increase, at least then their records would show the legal progression of rents in any IMD unit.

The language of the statute, and therefore of the rule, is silent on whether a landlord may retroactively demand payment of increases he was due under 2-12. Which is to say, if a landlord achieved milestone compliance in 2010 and only requests the increases in 2013, can he then request an increase prospectively and demand the increase as due retroactively? We asked our attorneys. Opinions varied. The potential is, however, very real and, depending, on the courts and the cleverness of the attorney, those increase demands could go back as far as 1992.

While sometimes the decision to not ask for that increase is an honest mistake or oversight on the part of the landlord, more often it is being used like the practice of preferential rent in rent stabilized buildings, where the landlord has the ability to precipitously raise rent to price out tenants they no longer desire. However, unlike a rent stabilized landlord, the loft law landlord has the ability to do so immediately (since there is no lease term), without prior warning (since the landlord does not need to notify the tenant of the potential rent increase) and potentially with the further threat of back rent owed through retroactive increases.

We here today recognize that the Loft Board cannot go outside of the statute to counter retroactive rent increases. However, we do believe that the simple act of requiring formal notification of the request of an increase will go some way towards educating tenants of their maximum legal rents and discouraging the practice of invisible preferential rents as it is currently occurring in Loft Law Buildings. We further request that the Loft Board create a penalty for "failure to timely file notification of a code compliance rent increase" (without which the requirement would be unenforceable) and allow it as a defense in any rent dispute case based on retroactive increases.

Finally, I respectfully request that the Board consider delaying closing the written comment period for rule 2-12 until after rule 2-01 has been published, as these two rules are closely interrelated. We anticipate the need for further comment on 2-12, particularly based on our understanding of the "no-work" provision to be included in 2-01.

Thank you for your careful and thoughtful consideration of these requests.

Testimony Rule 2-12, 2-06

To: New York City Loft Board members:

I would like to thank the loft board for allowing us to offer testimony in regard to the Loft Law extension. I would also like to thank them for their participation in community events to help get the word out about the loft law.

I am a loft tenant, small business owner and parent who has resided and worked in my loft home for over 16 years. I have two children ages nine and ten.

I mention this because we are extremely grateful that the loft law has been extended and that we will be protected in our homes. Our children attend school, play sports and have grown up in this neighborhood. Our family is a part of our community, and we are heavily involved in it.

Thanks to the flexibility of our space, I was able to work at home and grow a small business while raising my children.

However, I am concerned that the increases to our rents, and the cost of code compliance work will make it hard to continue to live as a middle class family in our current home.

Our rent is currently at or near the market rate. I fear that by the time all of the code compliance work is done that our rent will be beyond our reach.

Since the window period, and over the years, we have been subjected to very large and capricious rent increases. Our rent has increased over 300 % since we moved into the building. That is not a typo, the rent has increased over 300%.

One year we got a 20% increase in January, and in February our landlord came back and demanded more. He also told us he didn't want children in the building, and talked for an hour about how he could throw us out onto the street.

This occurred after we asked him to fix or replace our fire escape door, as it was (and still is) rusted out and falling of the hinges. We also had just had to replace our hot water heater (\$850).

We have been living in fear and paying all his large rent increases and have received no services of any kind. Ever.

We felt especially vulnerable because we did not want to put our family in jeopardy. We applied for various housing lotteries to try to get out, we won 2 lotteries but were disqualified from both due to our freelance income, in one case I made too much of my income from working at home. This is one reason that live/work - Artist In Residence, is so important in our

community.

I share this so that the Board can understand that we need help in keeping our landlord's tactics above-board for any increases.

Can we have clear and accessible data available as to what are rent is and should be? Can there be oversight to assure that increases are within the law and if they are not, that the landlords are penalized?

To prevent retroactive charges, can landlords fill out a rent adjustment form and send it to tenants and the Loft Board. Only after they submit the form should they get the increase. Can it be easy for tenants to contact the LB and find out their legal rent?

There should also be some review of the "escalators" and diminishment of services. Our landlord is trying to shut down the elevator, has installed a ship container where our parking space is, and has taken us to court in NY State Supreme in an ejection proceeding. He is also seeking to amend his IMD application to exclude our entire floor.

Thank you,

Laure Sullivan

235 Berry St

3rd Fl. West