The City of New York

Community Board 12 - Manhattan
Washington Heights & Inwood

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George Fernández Jr. - Chairman
Ebenezer Smith, District Manager

March 9, 2015

Hon. Gale A. Brewer
Manhattan Borough President
1 Centre Street 19th Fl. South
Municipal Building
New York, NY 10007

Dear Borough President Brewer:

Please be advised that at the General Meeting Tuesday, Feb. 24, 2015 Community Board 12 Manhattan passed a resolution by a vote of (16) In Favor, (13) Opposed, (1) Abstain, recommending that The New York City Council and Mayor de Blasio allocate increased funding to the Mayor's Office of Special Enforcement and agency joint task force involved to strengthen and increase their ability to enforce the law regarding this new proliferation of illegal hotels.

WHEREAS, New York City traditionally has supported legal barriers to protect long time renters in residential housing with zoning measures to promote neighborhood stability and multiple dwelling codes to keep use and occupancy of those buildings from becoming commercial accommodations for housing transitory occupants; and

WHEREAS, After May 2011, in response to the need to close a loophole that allowed many owners to sell class A residential multiple dwellings units in whole or in part for highly profitable single room occupancy (SRO) to a stream of transient occupants and turn their buildings into budget hotel rooms, typical of Class B accommodations NYS passed Chapter 225 and amended the MDL to prohibit the rental of any unit in a Class A building for less than thirty (30) days; and

WHEREAS, Chapter 225 also states that its purposes is to prevent building owners from circumventing the strict fire safety standards applicable to hotels, prevent unfair competition to legitimate hotels that have made substantial investments to comply with building codes and tax codes, protect the rights of permanent occupants who would otherwise endure the inconvenience of hotel occupancy in their buildings; and preserve the supply of affordable permanent housing; and

WHEREAS, In recent times and largely through the internet, other marketing tools and the need for some permanent residents to acquire additional personal income as 'hosts' - organizations with new business models as enablers have created virtual hotels that are de facto "illegal hotels" as they have booked for service and other fees visitors and tourists seeking short term accommodations in Class A residential buildings that house these occupancies and bookings for less than thirty day stays and without following the law on Single Room Occupancy (SRO) units; and

WHEREAS, Many of these illegal hotels have committed deceptive trade practices by marketing these apartment accommodations as legal where they are not, heightened the risk to the health and safety of visitors and tourists with no security staff and who may be unwittingly led to seek these transient accommodations without being informed in detailed about the stringent requirements of our local housing laws; and

WHEREAS, New York City now suffers from a shortage of affordable housing in an already tight housing market and is in a legislatively imposed housing emergency the advent and proliferation of online platforms including, but not limited to, Airbnb, VRBO, One Fine Stay, and Home Away over the past few years has exponentially increased illegal hotels and the mass withholding of or taking away available permanent residential Class A permanent units for transient use and occupancy is disruptive to the lives of the residents who live in the building and affects neighborhood stability and a sense of community; and

WHEREAS, It is tempting for some individuals undergoing hard financial times to consider being a 'host' or offer short term rentals in their apartment in Class A residential buildings -- there are stringent laws, restricted covenants against such practices and the further risk that other building tenants may legally file a complaint requiring a landlord, governing board or an agency investigation; and

WHEREAS, Rent regulated tenants or tenants with rent subsidies, such as SCRIE/DRIE, Section 8 who are in a program where the rent is based on income-eligibility may unwittingly violate their lease or rent subsidies by not following the laws for landlord or agency approval on sublets, roommates, guests, or illegal assignments and subject themselves to eviction if their units are rented for short term use; and

WHEREAS, Co-op shareholders, condo owners or free market residents who rent their units for short-term use contrary to their proprietary lease and by-laws also risk eviction or legal action; and

WHEREAS, NYC housing and law enforcement agencies continue to receive overwhelming amounts of complaints from 311 and 911 calls, letters and emails from the public, communications from elected officials, complaints from legal hotels and lawful bread and breakfast establishments and community based organizations about excessive noise and disruptive behavior from transient occupants, fighting, drug use and sales, prostitution, property damaged by constant and excessive traffic , failure to meet a accessibility requirements and other quality of life or warranty of habitability complaints; and

WHEREAS, Many recent attempts to resolved or bring attention to these complaints have also increased, including calls for more inspections, Environmental Control Board (ECB) hearings and fines, public oversight hearings by the NYC Council's Housing Committee, two NYC lawsuits against illegal hotels, release by the NY Public Advocates Office of the worst illegal hotel landlords list and cumulative fines approaching $800,000, a lawsuit by the NYS Attorney General's office based on its own investigation that claimed Airbnb rentals are illegal and successful court evictions by landlords; and

WHEREAS, Enforcement of illegal hotel activity is complaint driven and is carried out by the Mayor's Office of Special Enforcement, which operates a joint task force comprised of specially trained inspectors from New York City agencies, including Department of Buildings, Department of Finance, Police Department, Fire Department, and Department of Health; and

WHEREAS, A shortage of inspectors who respond to illegal short term use and occupancy complaints has contributed to increasing and excessive delays in processing complaint being filed, an inspection being conducted, ECB hearings conducted and summons and verified complaints are filed in court; therefore, be it

RESOLVED, The New York City Council and Mayor de Blasio allocate increased funding to the Mayor's Office of Special Enforcement and agency joint task force involved to strengthen and increase their ability to enforce the law regarding this new proliferation of illegal hotels and reflects Community Board 12, Manhattan's position to a proposed Manhattan Community Boards joint resolution on this matter.

Sincerely,

for George Fernandez, Jr.
Chair

cc: Hon.Bill de Blasio, Mayor
Hon.Gail Brewer, Manhattan Borough President
Hon. Letitia James, Public Advocate
Hon. Scott Stringer, Comptroller
Hon. Charles B. Rangel, Congressman
Hon. Adriano Espaillat, NY State Senator
Hon. Herman D. Farrell, Jr., Assembly Member
Hon. Guillermo Linares, Assembly Member
Hon. Ydanis Rodriguez, Council Member
Hon. Mark Levine, Council Member