MINUTES OF PUBLIC MEETING

New York City Loft Board Public Meeting

April 20, 2023

The meeting began at 2:03 PM

Attendees: Elliott Barowitz, Public Member; Charles DeLaney, Tenants' Representative; Heather Roslund, Public Member; Christian Hylton, Owners' Representative; Samira Rajan, Public Member; Nicole Oddo, Public Member; Richard Roche, Fire Department's ex officio; Guillermo Patino, Chairperson Designee

INTRODUCTION:

Chairperson Patino welcomed those present to the April 20, 2023, public meeting of the New York City Loft Board. He then briefly summarized Section 282 of the New York State Multiple Dwelling Law, which establishes the New York City Loft Board and described the general operation of the Board as consistent with Article 7-C of the New York State Multiple Dwelling Law.

VOTE ON MEETING MINUTES:

March 16, 2023, Meeting Minutes

Chairperson Patino asked if there were any comments on or corrections to the March 16, 2023, minutes. Hearing none, Chairperson Patino then asked for a motion to accept the March 16, 2023, meeting minutes and for a second.

Mr. Hylton moved to accept the March 16, 2023, meeting minutes, and Mr. Barowitz seconded.

The Vote

Members concurring: Mr. Barowitz, Mr. Roche, Mr. DeLaney, Mr. Hylton, Ms. Roslund, Ms. Rajan,

Chairperson Patino

Members dissenting: 0

Members abstaining: Ms. Oddo

Members absent: Members recused: 0

EXECUTIVE DIRECTOR'S REPORT - Martha Cruz

Litigation:

We received two decisions since the March meeting. The first decision involved 476 Jefferson Street in Brooklyn and the owner's challenge to Order No. 4995, which granted protected occupancy status and Order No. 5053, which denied the reconsideration of Order No. 4995. The Appellate Division upheld the Loft Board's rejection of the owner's claim that the unit was deregulated by a sale of rights. The court found that the owner failed to demonstrate that the former tenant knew about their protected occupancy status and that the transaction was a valid sale of rights.

The second decision involved 13 East 17th Street and the owner's challenge to Order No. 4938, a removal order that set the initial regulated rents for several units. In this case, the owner sought a temporary restraining order against the Loft Board. In a decision dated April 6, 2023, the court denied the petition without prejudice based on the owner's withdrawal of the motion and the petition. The owner has since refiled the petition.

Website:

Staff has been discussing ways to improve the website. If any Board member has ideas or comments to contribute, they would be welcomed. Please send me an email and we will discuss it. Due to the volume of calls that we have received about our new rules, we have added a link to the rules on the home page.

Meeting with Architects:

Staff will be meeting with Loft Law architects next week. We started doing this last year and have found the sessions to yield good information about their dealings with the DOB. We've had very good discussions about the process and if and how we might help.

Buildings List:

I am working on the list. The updating of the list has been difficult because the DOB now has two systems.

Ms. Cruz asked if there were any questions. As there were none, she introduced Mr. Clarke.

DEPUTY EXECUTIVE DIRECTOR/DEPUTY GENERAL COUNSEL'S REPORT - Stephan Clarke

FACT SHEETS

In addition to working on the website, we are also working on creating fact sheets that provide

overviews and information about specific areas and functions of the Loft Board. Our intern, Lucy, has

done an amazing job with the design of the fact sheets. We sent the first two with the Board meeting

materials last week. They will also go up on the website.

The first one is titled Loft Law and Loft Law Coverage. This fact sheet provides information about the

history of the Loft Law, the criteria for Article 7-C coverage, and how tenants and owners can seek

coverage. The second fact sheet is titled Loft Board: Composition, Duties, Regulatory Authority, and

Staff. This one provides information about the makeup of the Board and the Board's duties and

responsibilities. It also includes information about Title 29 of the Rules of the City of New York, also

known as the Loft Board's Rules.

Mr. DeLaney: I have a couple of comments. First, I think these are great. And I take it these are not

tentative drafts; these are kind of ready-to-go?

Chairperson Patino: Yes

Mr. Delaney: Have they gone?

Ms. Cruz: No

Mr. DeLaney: You mentioned that you're also working on the website. Based on Ms. Roslund's

suggestion, last month, I looked at the Department of City Planning's website, and it is so much better

than the standard DOITT template. The Fire Department also has a nice website. Do you have to be a

bigger agency to get that kind of site?

Ms. Cruz said the staff would discuss it.

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Chairperson Patino said he believed that most agencies must comply with the standard template.

Mr. DeLaney: On the fact sheets, I just have a couple of suggestions on fact sheet number one, Coverage. First, getting all this on one page is a remarkable accomplishment. The point size is a little small, but I know how that works. It's readable. The one thing that struck me as missing, though, is that it talks about tenants seeking coverage and the fee for the tenant-initiated coverage application, but it leaves out that you probably need to complete a protected occupant application as well. So, I would see if you can weave that in.

On the second one, Regulatory Authority, section IIII. I think the end of Chapter 2 includes the words "subject to the rules." It might make sense to note that in 2023, the Board made extensive amendments to its rules, so that people who may be reading this, who last looked at this five years ago, will know that this is a change. And two paragraphs down, "Parties are not required to hire a lawyer, but may choose to do so." Maybe you want to say something along the lines of, parties are not required to hire a lawyer to file an application or do anything else. Rather than just, I've got to have a lawyer. And lastly, down at the bottom of that column, where we talk about the FOIL requests — If you can fit in how to file, that would be helpful.

Mr. Clarke stated the staff is working on the third fact sheet, which will probably be the most extensive. It is about the Narrative Statement process. It will be an overview of the process. The process will be broken into stages. The Fact Sheet will provide information on what tenants and owners can expect during each step. These steps include filing the Narrative Statement; scheduling, preparing for and attending the Narrative Statement conference; providing tenants with an opportunity to file comments or an alternate plan, also known as starting the clock; dispute resolution proceedings; Loft Board certification; and amendments to the Narrative Statement. We are deciding if we want to split this fact sheet into two separate parts -- one for owners and architects and the second for the tenants.

Other fact sheets we are considering include rent milestone increases, code compliance, sales of rights, access, LONOs, certifications, and finally maintenance and minimum housing standards. We are open to suggestions for additional factsheets, as we believe they will be a powerful source of information readily available to the public. Are there any comments or questions?

Mr. Barowitz asked how the Narrative Statement sheet may be split.

Ms. Roslund asked how long it took to create each one, as she wanted to calculate about how long it would take to finish the set. She projected perhaps six months.

Mr. Clarke replied that it could take longer than that, but that they will work to complete this sooner rather than later.

Ms. Oddo asked how they would be distributed to the public.

Mr. Clarke: They'll be up on the website, though exactly where is under discussion. Some of this information is already on the website, and we want to avoid redundancy. We are open to suggestions from the Board, so please do look at the website and give us your suggestions about where would be best to place the sheets.

Ms. Roslund asked if they will be in PDF format, to be downloaded, and **Ms. Cruz** confirmed that they would be.

Mr. Barowitz noted that the best way to make the public aware would be for the city to take out a full-page announcement in the *New York Times*.

Mr. DeLaney: Actually, following on the conversation we had last month about the general public's ignorance of the Loft Law, maybe the story would be of interest to some of the downtown newspapers, Tribeca, Brooklyn, on Patch.

Mr. Roche: The Fire Department deals heavily with the public libraries in the city, and they all have an area where people can pick up literature about city agencies. I suggest that we make these fact sheets available at the various libraries throughout the city. Also, community boards would be another location to make the fact sheets available.

Ms. Oddo: I like the discussion about how to make people aware that we even exist, because these sheets are great. But if nobody even knows to go to the website, they'll just languish there. And I think if more people knew that this might be something that's applicable to them, then it might prompt them to go to the website.

Ms. Roslund: The community board outreach is a good idea, because a lot of people go to their community board when there's an issue.

Mr. Roche: There's also a really active group within the Loft Board community that used to attend regularly. I'm sorry, I forget their name. But I'm sure they're attending virtually right now. They used to have events periodically, throughout their calendar year, and we could possibly ask them to make the literature available.

Ms. Oddo mentioned that 311 might also be useful. If a loft tenant were to call with a problem with their rent, for example, the operator could refer them to the Loft Board website. They do this kind of thing all the time.

Mr. Roche: I think we came up with a couple of good ideas including the loft association group, the community boards, the libraries, and 311.

Ms. Roslund: Before we leave this topic, coming back to Mr. DeLaney's comments about the last line under Regulatory Authority. Does that sentence belong there at all?

Ms. Cruz: We can add the sentence in the section dedicated to applications for coverage.

Ms. Roslund: Because there is nothing in that section about the right to hire a lawyer.

As there were no further questions for **Mr. Clarke**, he introduced Ms. Storey, for the enforcement report.

ENFORCEMENT REPORT - Renee Storey

We are focusing on three areas of enforcement: (1) Reasonable and Necessary, (2) Registration, and (3) Legalization Reports.

I. Reasonable and Necessary Enforcement

79 Violations issued. Of these:

• Of the 79 violations issued, we have issued 35 Administrative Determinations imposing fines for failure to correct.

- o Five (5) owners have paid.
- o Thirty (30) Owners have not paid.
- Of the 79 violations issued, we have issued 23 Notices of Withdrawal. These withdrawals are due to compliance or service issues.
- Of the 79 violations issued, 21 violations remain open. We are working with these owners.

II. Building Registration Enforcement

Thirteen (13) owners delinquent on annual registration from the last fiscal year.

The new fiscal year begins on July 1, 2023.

We will be sending out registration packets within the last two weeks of June. If you do not receive the registration packet by July 4, 2023, please contact the Loft Board and we will provide a courtesy copy via email.

The Loft Board contact info: 280 Broadway 1st Floor New York, NY 10007 and the phone number is (212) 393-2616.

III. Legalization Report Enforcement

All IMD buildings without a Certificate of Occupancy must file legalization reports.

There are 323 IMD Buildings under Loft Board jurisdiction. Eighty-eight (88) reports have been received for April.

It came to our attention that we had a technical issue with the form. The technical issue has been fixed and the updated form is now on the website. There was also some confusion about where to file the form and when the form must be filed. The form must be filed by email at loftboardquarterly@buildings.nyc.gov. The legalization report is due four times a year - January 1, April 1, July 1, and October 1.

Each report must contain:

- Legalization progress for the preceding three months.

 For example: April Legalization report should contain legalization progress concerning January, February, and March
- The correct form to avoid enforcement action. Notes, letters or emails that are not attached to a completed form will not be considered or accepted. The form must be signed by owner and architect. If the form is not signed by both the architect and the owner, the filing will not be deemed complete.

Where to send the form:

We have created a new email inbox for these reports:

<u>Loftboardquarterly@buildings.nyc.gov</u>

Enforcement on the quarterly reports will begin in July 2023.

IV. Meetings with Owners

We are open to meeting with owners to discuss legalization. We have met with three owners concerning legalization and other enforcement matters.

As there were no questions for Ms. Storey, she turned the floor over to Mr. Kim for a report on the buildings in the Narrative Statement Process.

NARRATIVE STATEMENT REPORT - by James Kim

In the last month, as always, several buildings moved along in the legalization process.

The number of buildings in this stage has decreased from the number reported in March due to certifications that were issued, so the onus is now on the ownership to pull a permit and commence legalization work. To capture the state of play accurately, we created a new category for inactive buildings, which were previously absorbed by other categories. Several of these buildings have stalled in the process for a multitude of reasons and frequently were not held accountable for the delay. As mentioned, we have been and continue to move forward with holding many of these building owners accountable on a case-by-case basis.

There are (53) buildings now in Narrative Statement category. The breakdown is as follows:

- 2 Buildings have filed a complete Narrative Statement Filings and the staff must schedule the conference
- 5 Buildings have submitted incomplete Narrative Statements
- 3 Buildings have upcoming Narrative Statement conferences
- 10 Building owners are working on revising plans and/or working with the DOB
- 4 Buildings have been issued a Notice of Opportunity to Comment
- Buildings are pending the issuance of Notice of Opportunity to Comment
- 6 Buildings are pending issuance of a certification
- 1 Building is "on hold" status because alternate plan dispute is pending at OATH
- 19 Buildings have been inactive, but the staff will be following up

While legalization of all buildings under Loft Board's jurisdiction is important, we will be concentrating our resources on these inactive buildings. Some have had owners and tenants working together for several years, but then the Loft Board stopped receiving updates. Others did not receive

certifications for various reasons, and we will have to develop case-by-case solutions, utilizing our entire toolbox, including enforcement, if necessary, to get these buildings to the finish-line.

Mr. DeLaney asked that the reports be dated, and Mr. Kim agreed.

Mr. DeLaney continued **r**egarding the (19) buildings, the largest group on the list, is the inactivity principally on the part of the owner and their professionals?

Mr. Kim said that's a fantastic question, and one I've been trying to sort out. We say this a lot, but every building has its own story, and it's hard for me, as someone in the weeds, to zoom out and see what is happening with this category. In some situations, yes, that is the case. It is ownership that hasn't pushed it along. But there are, of course, different parties in the process, which is why I mentioned that there are certain situations where owners and tenants have been negotiating or discussing. And sometimes it's as simple as one side communicating with the other side and delivering the plans. And to be frank, there are certain situations where the Loft Board could have done more to ensure that the communication happened. But going forward, as we have done already, owners and tenants' representatives will be hearing from us on buildings they may not have worked on for several years.

Ms. Roslund asked about the criteria used to categorize a building as inactive. There are some buildings that have been slowly slogging through the process for twenty-five years, and others where, literally, nothing has happened in five years. So, is it a month, five months, a year that nothing's happened? Or is it that they consistently miss their milestone deadlines?

Mr. Kim said that it is buildings that have been stalled for at least a year, but in some cases it could be for several years.

Ms. Cruz said that buildings are in the process. So, either they haven't had a conference in quite some time; or at the last conference, perhaps the owner was supposed to revise the plan, and we haven't received it. Do you have any for which we were supposed to issue a clock, but didn't?

Mr. Kim said Yes

Ms. Roslund: So there seems to be some stumbling block. The process started, and then for some reason, it stopped.

Ms. Cruz said it could be for a multitude of reasons.

Mr. Kim stated that it is frequently easier for all the other buildings in the other categories to reach legalization because there's some momentum going, so to speak, after a Narrative Statement has been filed. However, for these buildings, there's currently no momentum.

Mr. Delaney inquired about enforcement against owners for the failure to update the information when there is a change of ownership.

Ms. Storey stated that the staff discussed including an ownership form with the registration packets.

Mr. DeLaney suggested that the Board add a provision in the rules that a change in ownership must be filed within X number of days?

Ms. Cruz stated that the provision exists in the rules. It's five days.

Mr. DeLaney asked about the consequence.

Ms. Storey responded that the Board could impose a four-thousand-dollar fine. There is no cure period.

Mr. DeLaney asked how do you know?

Ms. Cruz responded then we have no way of knowing that there's been a change unless we go into ACRIS. The staff will know when the building registration package is mailed and return to us by the post office. The staff will check the mailing addresses and the ownership information then.

Mr. DeLaney stated I don't recall the Board ever having levied that fine.

Ms. Cruz said I don't think we ever have. And it wouldn't be something that the Board would do. The staff would issue a violation.

Mr. DeLaney observed that the new rules have been in effect for almost three weeks. I gather that American Legal Publishing has completed their work, and I'm confident that you'll be delivering Elliott and me the hard copies we requested sometime in the not-too-distant future?

Mr. Delaney asked if the posting of proposed orders would happen in May.

Mr. Clarke advised that the posting began in April.

Mr. DeLaney noted that the calendar had a case where the owner submitted evidence of a MDL § 286(12) sale, and all the sales figures were redacted. One of the things that was in our revisions is that we're not going to accept those going forward. Have we put that into motion?

Ms. Cruz confirmed that the practice was already in place; that she had several filings already that were going to be returned.

Mr. Delaney asked if the Board requires an unredacted copy of a sale that predated the rule change.

Ms. Cruz stated that if the sale is filed after the rule change, an unredacted copy is required even if the sale happened three months ago.

THE CASES:

Appeal and Reconciliation Calendar

	Applicant(s)	Address	Docket No.			
1	Certain Tenants	394-400 South 2 nd Street, Brooklyn	AD-0109			
The Loft Board denied the tenants' appeal of the administrative determination which found that the						
building was exempt from the narrative statement process.						

Mr. Kim presented this case.

Chairperson Patino asked if there were any comments on this case.

Ms. Roslund: Just the technical comments. So, we were talking earlier about the difference between the renewal and the reinstatement. And in one, on page three under The Permit Was Renewed Without

Reinstatement, in the second paragraph, it says, "DOB's decision to renew the permit without reinstatement of the alteration application..." But in other places, it's stated as reinstatement of the permit, which are two different things. The permit are not reinstated or require reinstatement. The application is reinstated. The permit was renewed. In one sentence, it says that you're reinstating the permit. And then the next sentence says you're reinstating the application.

Ms. Cruz: Yes. So, we will change that permit to application. That will cure it, right?

Mr. DeLaney: Where are we?

Ms. Cruz: Page 3 under 1. Second paragraph, where it says, however. "Tenants misunderstand the language in the Service Notice. The language is that reinstatement may be required. It is not absolute. In this case, DOB did not require this reinstatement of the Application."

Chairperson Patino asked if Mr. DeLaney had any additional comments.

Mr. DeLaney: Yes. I'm troubled by this case. Given that the Loft Law is intended to be a remedial statute, I think the Narrative Statement conference is an important and very helpful step in the process. And this paragraph that Ms. Roslund has been reviewing really goes to the heart of it. "Tenants misunderstand the language in the Service Notice. The language is that reinstatement may be required. It is not an absolute." It seems to me we spent all that time with the language police stressing that may means shall. So, I looked at the language that's relied on in the City Administrative Code 28-104.2.3, and I find it confusing. And it seems to me, the Department of Buildings has leeway that they should be exercising in the opposite direction to encourage a step that's helpful to both the owners and the tenants. Hopefully, the owner and the tenants will find a way to work through this, but I think the Department of Buildings has discretion and should exercise that discretion in a different way than it seems to have in this case. Therefore, I'm going to vote no.

Ms. Roslund: And when we were reading through the language, it was DOB's discretion to extend or to provide an extension, which didn't happen. So procedurally, they didn't give the applicant an extension. They just extended it.

Ms. Cruz: We don't know if they did. It is the Department's discretion. The Loft Board cannot look

behind the decision.

Mr. DeLaney: Right. And I know that a couple of years ago, the Loft Board spent some time meeting

with plan examiners, and certain things were hashed out; maybe greater understandings of situations

were achieved. And I think this is an area where, to be honest, on the part of the Department of

Buildings, I see mostly smoke and mirrors rather than oh, that makes sense. I see why this has definitely

got to be this way. And I think when in doubt, the Narrative Statement conference should be held rather

than evaded due to something that seems kind of hard to follow. So, I'm hoping the powers-that-be in

the Department of Building will rethink their mindset on this.

Ms. Cruz: Or we could change the rule.

Mr. DeLaney: Or we could change the rule. That's not going to help the Certain Tenants of 400 South

Second Street. Again, as I said in the private session, if the tenants want to be difficult and deny access,

it'll just be a bigger headache for everybody. And here we have a forum to resolve disputes. The purpose

of the Loft Law and the Loft Board is to resolve disputes. But in this case, the forum is not available. It

just seems the wrong conclusion. I like the idea of changing the rule.

Chairperson Patino asked if there were any comments on this case. Hearing none, Chairperson Patino

then called for a motion to accept this case, and for a second.

Mr. Hylton moved to accept this case, and Ms. Rajan seconded.

The vote

Members concurring:

Mr. Roche, Mr. Hylton, Ms. Roslund, Ms. Rajan, Chairperson Patino

Members dissenting: Members abstaining: Mr. DeLaney

Members absent:

Mr. Barowitz, Ms. Oddo

0

Members recused:

0

Summary Calendar

Applicant(s) **Address** Docket No.

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2	517-525 West 45 Street LLC	517-525 West 45 Street, New York	LS-0287, TM-0111			
	and Douglas Kelley					
The Loft Board deemed the applications resolved.						
3	Adam Falcheck	87-95 Dobbin Street, Brooklyn	PO-0109, TA-0262			
The Loft Board deemed the protected occupancy and rent dispute applications withdrawn with prejudice.						
4	John Leland Pacific	1083-1095 Flushing Avenue, Brooklyn	PO-0195, TA-0299			
The Loft Board deemed the protected occupancy and rent dispute applications withdrawn with prejudice.						
5	Graham Holly	435 Broadway, Brooklyn	TR-1465, TR-1466			
			PO-0215			
The Loft Board deemed the coverage and protected occupancy application discontinued without						
prejudice.						

Chairperson Patino asked if there were any comments on this case. Hearing none, he then called for a motion to accept these cases and for a second.

Ms. Rajan moved to accept these cases, and Mr. Roche seconded.

The vote

Members concurring: Mr. Barowitz, Mr. DeLaney, Mr. Roche, Mr. Hylton, Ms. Roslund, Ms. Rajan,

Ms. Oddo, Chairperson Patino

Members dissenting: 0
Members abstaining: 0
Members absent: 0
Members recused: 0

Master Calendar

	Applicant(s)	Address	Docket No.			
6	57-59 Grand St. LLC	59 Grand Street, Brooklyn	LE-0739, RG-0218			
The Loft Board granted the application for removal from the Loft Board's jurisdiction.						
7	North Seven Capital LLC	224 North 7 th Street, Brooklyn	LE-0740			
The Loft Board granted the application for removal from the Loft Board's jurisdiction.						

Chairperson Patino asked if there were any comments on these cases.

Ms. Cruz noted in the public session that in case number 6, the names of the tenants of the fourth and fifth floors are corrected in a revised Proposed Order that is before you today.

Chairperson Patino asked if there was a motion to accept these cases as revised.

Ms. DeLaney moved to accept these cases, and Ms. Roslund seconded.

The vote

Members concurring: Mr. Barowitz, Mr. DeLaney, Mr. Roche, Mr. Hylton, Ms. Roslund, Ms. Rajan,

Ms. Oddo, Chairperson Patino

Members dissenting: 0
Members abstaining: 0
Members absent: 0
Members recused: 0

Mr. DeLaney: Before we adjourn, can we get an update from Mr. Barowitz on Soho-Noho?

Mr. Barowitz: There was a second meeting at the Supreme Court with the judge for those representing the Soho-Noho Alliance and the City of New York. There was a meeting a month ago where the lawyers went into the judge's chambers for about twenty minutes. This Tuesday, the lawyers went into the judge's chambers for about an hour and a half. And when they came out, we were told by the Soho-Noho Alliance lawyers that the city and the Alliance had come to an agreement, and that most likely, there would not be a trial. The Alliance is suing the city, and there won't be a trial. But once again, the judges put off the two other meetings. One some time in May, the other early June. So, I would think that by early June the whole thing will be resolved, unless some of the lawyers change their minds between now and then.

But it was good to know that some kind of agreement had taken place. One of the critical aspects is that there is a proposal saying if a loft household, where the primary person or persons are the artist's children, is sold to a non-artists, \$100 per square foot has to go into some kind of fund, as yet undetermined. One of the absurdities of that though, as far as I'm concerned, is that if the loft is worth \$500,000, it's \$100 a square foot. And if it's worth a lot more as some are, it's still \$100 a square foot. So, I think that must be resolved. But once it is, the whole thing will disappear.

This has been going on for well over five years. In the beginning, very good members of the city of New York wanted to produce low-cost housing in Soho and Noho. But at the same time, the city realized that there are practically no vacant spaces. There are only two small, vacant lots in Soho.

This whole thing started, essentially, because the former council woman for Lower Manhattan somehow decided that there should be a change in Soho and Noho. And of course, the general perception of Soho is that there are a lot of galleries there; it's great place to go shopping, walk around, look at art; and that the people living there must be very, very wealthy. The fact is that there are many artists there, and as we know from when those buildings were first legalized in Soho and Noho, the rents were incredibly inexpensive. And because that, many of the tenants are artists who are a lot older now. In the first meeting I attended some five and a half years ago in a public school of Chinatown, I don't think anyone was under the age of fifty. But the city hasn't quite acknowledged that a great deal of the tenants in Soho and Noho are somewhat older people. At the meeting I just spoke of on Tuesday, once again, everyone sitting there had gray hair. I spoke to one of the lawyers, and they said the city is just beginning to realize what the demographic of Soho and Noho actually is. And, of course, one of these days, we're all going to die out, and then maybe the situation will change.

Chairperson Patino: Thank you. This will conclude our April 20, 2023, Loft Board meeting. Our next public meeting is scheduled to be held on May 18, 2023.