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Via Facsimile and U.S. Mail

March 24, 2008

Rob Speyer
President
Tishman Speyer
Rockefeller Center
45 Rockefeller Plaza
New York, New York 10111

Dear Mr. Speyer:

I write to again express my serious concern about the ongoing legal challenges being brought against rent-stabilized residents, as well as the exorbitant increases on market rate tenants of Peter Cooper Village and Stuyvesant Town (PCV/ST). I am surprised at the level of aggressiveness that Tishman Speyer has shown toward the tenants of this community, particularly in light of its public commitment in December 2006 to make "no radical changes,"¹ when it purchased the property.

The actions of Tishman Speyer are telling a different story, and I want you to be aware that the posture toward tenants is increasingly being viewed as radical, and is having a deleterious effect on the community.

Rent Stabilized Tenants

Too many legitimate rent-stabilized tenants are being asked to defend themselves against false accusations that they are not legally entitled to their apartment.

As you know, Tishman Speyer has a practice of sending notices of non-renewal (or "Golub Notices") to approximately 15% of all tenants up for renewal every month.² My office consistently receives reports from long-time residents about legal

¹ See Charles Bagli, *Megadeal: Inside a New York Real Estate Coup*, NEW YORK TIMES, Dec. 31, 2006.

² See Memo from George Hatzmann, Managing Director of Tishman Speyer, to Councilman Dan Garodnick, Oct. 26, 2007.

challenges to their tenancies. The practice is so widespread that we have resorted to providing free legal clinics to residents, and have recently set up a tenant hotline for quick answers to legal questions. The legal clinics have been full beyond their capacity. There are, of course, many affected tenants who neither attend the clinics nor contact my office for help.

The personal situations vary, but attorneys have found that very frequently, tenants have the tax, driver's license and voter registration records to prove their legitimacy. In fact, numbers provided by Tishman Speyer last October showed that a third of the cases pursued were dropped, and tenants gave up their apartment in only half of the cases.³ In response to the concerns raised by residents and elected officials, the Division of Housing and Community Renewal (DHCR) asked Tishman Speyer to provide its basis for serving Golub Notices. In an October 2, 2007 letter to the DHCR, George Hatzmann wrote: "[I]f the requirements are met, then the [G]olub [N]otice is withdrawn immediately."⁴ To the contrary, Tishman Speyer's pursuit of tenants by lawyers is not dismissed easily and tenants often encounter delays or no response until they enlist the assistance of a lawyer. Residents are often asked for more information even after they have complied with initial requests by Tishman Speyer's lawyers to produce supportive documentation about their tenancy.

More recently, your attorneys have stepped up the issuance of 10-day notices to cure for illegal subletting. Unlike the notices of non-renewal, these notices do not contain an explanation of the evidence, and give a significantly shorter time for the tenant to respond. Every tenant who has contacted my office advises me that they were sent the notice solely because they receive mail for a relative or friend.

Tishman Speyer has regrettably created a landlord-versus-tenant culture, and one in which too many tenants live in fear of receiving a legal notice. While I cannot quarrel with your pursuit of illegal tenants and subletters, too many legal tenants have been swept up in Tishman Speyer's attempt to "catch" residents who may be there illegally, and this needs to stop. As you modify your procedures, I ask for a moratorium on Golub Notices filed against PCV/ST tenants until December 31, 2008.

Market Rate Tenants

For whatever reason, it appears that there is a significant number of vacant apartments in PCV/ST. A recent report estimated that between 561 (5%) and 1,122 (10%) of the apartments are vacant.⁵ This is the equivalent of approximately 5-10 completely empty buildings.

³ *Id.*

⁴ See Letter from George Hatzmann, Managing Director of Tishman Speyer, to DHCR Commissioner Deborah VanAmerongen, Oct. 2, 2007.

⁵ See Chuck Bennett and Keith Kelly, *Free Rent for Stuy Towners*, N.Y. POST, March 5, 2008 (noting that ST/PCV "struggles with a vacancy rate that hovers between 5 and 10 percent" and that Manhattan's overall rental-vacancy rate is less than 2 percent).

In an effort to attract new tenants, Tishman Speyer is now offering one free month of rent, incentives to refer friends, and the opportunity for tenants to have pets on the property.⁶ Even as hundreds of apartments remain unrented, Tishman Speyer continues to raise the rents on existing tenants up to 33% from one year to the next.⁷ Why Tishman Speyer is offering incentives to fill the empty apartments, while at the same time aggressively increasing rents on the tenants it has, is worthy of some public explanation on your part.

Additionally, Tishman Speyer is giving market rate tenants a mere 30 days to decide whether to renew their leases. While the practice is to offer tenants a new lease 60 days before the end of their current lease, they are asked to respond within 30 days. For example, a tenant whose lease expires on May 30 is informed of his/her lease renewal offer on April 1. That tenant will be informed that he/she has until May 1, only 30 days later, to make a decision. Tenants in this position frequently are forced to accept the terms because they do not have time to make other plans. Perhaps 30 days would be reasonable if the terms of the lease were more predictable. However, in light of Tishman Speyer's practices of increasing the rents up to 33%, it is simply not enough time for a family to make alternate plans.

I have asked you and your representatives repeatedly to give market rate tenants between 90 and 150 days to decide on their lease renewals. These requests have been ignored to date, and I ask that you correct that. I would expect that Tishman Speyer would be more interested in having tenants make a willing choice to decide to enjoy the amenities and lifestyle of PCV/ST rather than re-sign their leases under any pressure.

* * *

Families move to PCV/ST because it is renowned for its stability, its tranquil grounds and its sense of community. Unfortunately, you are creating a culture of conflict that is having a negative impact. Everyone, from the original residents who moved into the complex in 1949 to the younger families who seek to settle down, is feeling the effects of these policies.

I look forward to your response and to a new approach from Tishman Speyer.

Sincerely,



Daniel R. Garodnick

⁶ *Id.*

⁷ *Id.* (citing rent increases of 25%); see also Charles Bagli, *After Sale, Rent Increases Give Some Sticker Shock*, NEW YORK TIMES, Jan. 16, 2007 (citing rent increases of 33%).