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Council Plans Heftier Fines For Apartments Used as Hotels

By FERNANDA SANTOS

Many New Yorkers complain that landlords are fleecing them with excessive rents.

But some landlords have quietly found a way to make more money each month: They have illegally turned units in their apartment buildings into hotel rooms, said lawmakers, housing advocates and tenants at a City Council meeting yesterday.

A committee of council members introduced a bill that would significantly raise fines against those landlords.

In recent years, housing advocates said, thousands of residential apartments have been converted into hotel rooms that cater to short-term visitors looking for a reasonably priced room.

Many of the units being rented out as hotel rooms were rent-stabilized or single-occupancy apartments, and housing advocates worry that the practice is severely straining the city's tight rental market.

Units that previously drew \$1,000 a month in rent can bring a landlord \$125 per night instead, they said.

More than 200 residential buildings,

most of them in Manhattan, are believed to house illegal hotel rooms, which are easy to find on Web sites like woogo.com, furnishedrentals.com and Craigslist, lawmakers said.

Tenants who live in the buildings say it is jarring to see people lined up in the lobby waiting to check out, hotel style. They also say they do not like strangers coming in and out of the buildings.

Members of the council's Housing and Buildings Committee said existing penalties were not a strong enough deterrent. Currently, the city imposes a fine of \$800 on a building when illegal conversions are discovered, regardless of how many units have been converted.

"Fines for illegal hotels are being absorbed as the cost of doing business," said Councilwoman Gale A. Brewer, who represents the Upper West Side and Clinton neighborhoods in Manhattan, where many of the illegal hotel rooms can be found.

"We want tourists to have a place that's cheap and safe, and we want New Yorkers to have permanent and

Continued on Page B4

Council Plans Heftier Fines for Landlords Using Apartments as Hotels

From Page B1

affordable housing," she added. "But the two of them don't go together in the same building."

Ms. Brewer is one of the sponsors of the bill on higher fines. Under her proposal, landlords would face fines of \$1,000 to \$5,000 for each illegally converted unit for the first offense; \$2,500 to \$15,000 if a second violation is found within 18 months of the first; and \$10,000 to \$20,000 for each subsequent offense.

"The only way we're going to eliminate these illegal hotels is if

we create a strong disincentive for those owners who choose to operate them," said Councilwoman Rosie Mendez, who represents the Lower East Side of Manhattan and is another of the bill's sponsors.

Between October 2006 and last month, the city's 311 operators received 82 complaints about illegal hotel rooms in residential buildings, and inspectors issued 50 violation notices, said Shari C. Hyman, director of the Mayor's Office of Special Enforcement, which is charged with addressing quality of life issues in the city.

The number of illegal hotel

rooms in the city is unknown, but most of those discovered so far are in Manhattan, south of 100th Street.

"We come back from work, and guests are lined up in the lobby, trying to check out," said Jesse Zhu, 49, who lives at the Imperial Court, a single-occupancy building at 307 West 79th Street, where he said about half of the 227 units had been converted into hotel rooms.

The city is moving to shut down the operation, along with other similar ones in Manhattan, officials said.

Tenants see strangers lined up in the lobby, waiting to check out.

Mr. Zhu said he paid \$53 a week for an apartment with a shared kitchen and bathroom. A similar room can be rented by tourists from \$119 a night, according to the building's Web site, imperialcourthotel.com.

Martin J. Heistein, a lawyer for the owner of the Imperial Court,

Michael Edelstein, declined to comment last night, and Mr. Edelstein could not be immediately reached.

However, when the issue surfaced in September, Mr. Heistein said that the Imperial Court, as a single room occupancy building, was entitled to function as a hotel.

A spokesman for the Rent Stabilization Association, which represents residential building owners, said at the time that owners were simply trying to make ends meet by renting rooms to tourists.