

Tenants Roiled by Challenges on Residency

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Peter Cooper Village and Stuyvesant Town, huge middle-class complexes, are home to roughly 20,000 people in 110 buildings.

More than a year after buying Stuyvesant Town and Peter Cooper Village in Manhattan for a record-breaking \$5.4 billion, Tishman Speyer Properties has accused hundreds of rent-stabilized tenants of living somewhere other than their apartments, a tactic that residents and their lawyers say is part of an aggressive attempt to drive out low-rent tenants to make way for high-rent ones.

Since December 2006, when Tishman Speyer began the process, about 800 rent-stabilized leases have been denied renewal because the landlord believed the tenants had a primary residence elsewhere, according to the company. More than 4 in 10 of those cases were later dropped, while 3 in 10 ended with tenants giving up their apartments.

Tishman Speyer says that the practice is simply an attempt to rid its buildings of tenants who are abusing the system. “We want a community of people who really live at the property,” said Rob Speyer, the president of Tishman Speyer. “We don’t understand the effort to protect the rights of people who are there illegally.”

Rent-stabilized tenants are allowed to own property in other cities and states, as long as they use their apartment as their primary residence.

Stuyvesant Town and Peter Cooper Village are only the most recent examples of harassment complaints in scores of rent-regulated buildings that have been bought by international developers and private equity firms in recent years. Tenant advocates say that as those firms have sought to increase profits from those buildings, many have used aggressive tactics to dislodge rent-regulated tenants. The vacated apartments can then be rented to tenants at market rates.

The average monthly rent at Stuyvesant Town in 2006 was \$1,241 for rent-stabilized units and \$2,767 for market-rate units.

Stuyvesant Town and Peter Cooper Village have attracted particularly close scrutiny because of their symbolism and sheer size. The two complexes — more than 11,200 units in 110 red-brick buildings spanning 10 blocks along the East River — have long been among the city's largest middle-class redoubts, where nurses, teachers and others could live comfortably and even afford a weekend or summer house.

The previous owner of the complexes, MetLife, had also tried to remove tenants who it believed were not living there. But local elected officials and longtime tenants say Tishman Speyer, which has hired three law firms to work on the cases and a licensed private investigations service to conduct public records searches, has been more aggressive.

“There is an extraordinary number of longtime, legitimate tenants who are being pursued in this process and being forced to defend themselves unnecessarily,” said Councilman Daniel R. Garodnick, who has asked Tishman Speyer for a moratorium on primary residence cases until December. “We’re talking about tenants who have been in the community for 40 or 50 years in some cases who are being asked questions about their legitimacy.”

When Tishman Speyer bought the two complexes in 2006, in the largest real estate deal in American history, it tried to reassure tenants that there would be no major shifts in the makeup of the complex, as did Mayor [Michael R. Bloomberg](#). “I think the tenants in Stuyvesant Town will be well protected,” Mr. Bloomberg said in early 2007. A spokesman for Mr. Bloomberg said he stood by that remark.

But many rent-stabilized tenants feel far from protected.

In 2007, Tishman Speyer accused Dolores J. Shapiro, 62, an anthropologist and retired professor of nursing, of actually living in Naperville, Ill. Ms. Shapiro says she has never been to Naperville. She hired a lawyer, James B. Fishman, who discovered in an Internet search that a woman with the same name but a different middle initial — Dolores M. Shapiro — appeared to reside at the Naperville address.

After Mr. Fishman alerted Belkin Burden Wenig & Goldman, one of the three law firms representing Tishman Speyer, Ms. Shapiro was offered a new lease, which she signed. She and other tenants say Tishman Speyer declined to give them an explanation when their cases were dropped.

“I think they have no sense of community,” said Ms. Shapiro, who wants the company to pay her \$1,100 legal bill. “I feel like I was harassed.”

Of the nearly 800 cases, Ms. Shapiro's was one of only three in which Tishman Speyer had erred in challenging tenants' occupancy because of a duplicate name, it said.

Tenants and their lawyers say they do not doubt that in some cases in which tenants gave up their apartments, the tenants had been abusing the rent-stabilization system. But they also believe that many of them were legitimate tenants who wanted to avoid, or were intimidated by, a potential legal battle with their landlord.

Referring to Tishman Speyer, Mr. Fishman, Ms. Shapiro's lawyer, said, “They realize that a certain

percentage of tenants will get this notice and simply pack, because they're afraid."

In March, Tishman Speyer's accusations against rent-stabilized tenants led Assemblyman Brian P. Kavanagh, whose district includes the two complexes, to introduce a bill that would make a landlord who brings a primary-residence case "in bad faith" liable for the tenant's court costs and lawyers' fees as well as three times the monthly rent or actual damages, whichever is greater. It is modeled after an identical bill in the State Senate.

The state housing agency that regulates rent-stabilized apartments, the Division of Housing and Community Renewal, asked Tishman Speyer to explain its approach to primary residence cases. Jim Plastiras, a spokesman, said last week that the agency was continuing to monitor the situation, but added that it seemed Tishman Speyer "is following the rule of law."

The 799 leases denied renewals because of primary residence issues represented 14 percent of the 5,819 rent-stabilized leases that have neared expiration since notices first went out in December 2006, Tishman Speyer said. More than 40 percent of the 799 cases — 339 — were dropped, and 239 have ended with tenants' surrendering their apartment. The remaining 221 have not been resolved.

George R. Hatzmann, a managing director at Tishman Speyer who oversees rent-stabilized units at Stuyvesant Town and Peter Cooper Village, said the company had renewed 86 percent of expiring rent-stabilized leases without challenging tenants about where they live.

"We feel very strongly that when we get down to that limited pool of people who we reasonably think aren't living here, that sending a nonrenewal notice is perfectly fair and absolutely no form of harassment," he said.

Tishman Speyer recently sent out a notice denying a rent-stabilized tenant a new lease because, the company said, it discovered that he lived in Kalamazoo, Mich., where he works as a news anchor for a local television station.

The notices are not filed in Housing Court. A number of cases wind up there, but many of them are resolved outside the court system, in discussions and correspondence between the company's and tenants' lawyers.

For those tenants who fight the accusations, the process of hiring a lawyer typically costs \$1,100 to \$3,500. Tenants also submit a lot of documentation to prove that they live where they say they live, including voting records, dry cleaners' bills, magazine subscriptions, tax documents, credit card statements, cable bills, proof of the E-ZPass tolls they have paid and pages from their wills.

Edward Stanley, 53, a retired police detective and Stuyvesant Town resident for three decades, said he and his wife each sat through a two-hour deposition after Tishman Speyer accused the couple of living in the summer house they own on Long Island. "They asked my wife if she kept a toothbrush in the apartment in Manhattan," said Mr. Stanley, referring to the lawyers representing Tishman Speyer. "You're being forced into a position where you have to justify your existence to these people."

His legal fees have exceeded \$5,000.

A number of accused tenants are people in their 60s and 70s who say the ordeal of proving their occupancy is highly stressful. Tishman Speyer claims that Gladys Serringer's Stuyvesant Town apartment — where she moved in 1991, keeps framed family portraits in the living room and pays \$1,300 monthly rent — is not her primary residence.

"If I don't live here year-round, why would I have my heirlooms here?" asked Ms. Serringer, a retired [United Nations](#) employee who is disputing allegations that she lives in property she owns in Florida and Maryland.

Another tenant, Almeda R. Alland, 64, got her pastor at Tompkins Square Gospel Fellowship on Avenue B to write a letter stating that she did indeed attend church every week. She and her husband, who have lived in Stuyvesant Town for 35 years, received a notice of nonrenewal asserting that their real primary residence was in Virginia, where Mr. Alland often worked before retiring and had bought property.

They were offered a new lease after seeking assistance from the Urban Justice Center, a nonprofit group.

“It raised my blood pressure up,” said Ms. Alland, who worked for 24 years as a nurse at the nearby Veterans Affairs hospital and has a letter from her employer to prove it.

Stuyvesant Town and Peter Cooper Village are home to roughly 20,000 New Yorkers. There were 8,037 rent-stabilized apartments when Tishman Speyer bought the property in 2006, and now there are 7,297, a loss of 740, according to the company. All of those 740 rent-regulated units became market-rate apartments, increasing the market-rate total to 3,935.

The original sale book that was sent to bidders for Stuyvesant Town and Peter Cooper Village in 2006 described an “immense upside potential, especially for stabilized units rolling to market rates.” But real estate analysts said that it might take six years for Tishman Speyer to show a profit from running the two complexes, given the price it paid.

A financing document for Tishman Speyer’s purchase states that the company expects to have converted about 57 percent — 6,397 — of the two complexes’ units to market-rate rents by January 2011.

Mr. Hatzmann, the Tishman Speyer executive, said there were a number of reasons for the decrease in rent-stabilized units, like tenants who decided to move or died and apartments that were deregulated according to rent regulations. A rent-stabilized apartment, for instance, can be deregulated if the rent reaches \$2,000 or more and the tenant’s household income rises above \$175,000 for two successive years. He said the 2011 expectation for market-rate units was merely an estimate and did not indicate a strategy to push out rent-stabilized tenants.

Several tenants said Tishman Speyer could have easily answered questions about their use of the apartments. They said images and data from electronic key-card machines and surveillance video cameras in the buildings and garages would reveal their daily comings and goings.

“They see myself or my wife every day on camera, coming in and leaving,” said James Valentino, 65, a Peter Cooper Village resident whose primary residence dispute has ended up in Housing Court. “My point is, you have unequivocal information; just look at it.”

Mr. Hatzmann said the company did not consult the electronic key-card data and video, but had considered it. “We worked really hard to try to find a balance where we’re not invading people’s privacy,” he said.