STRUGGLES OF A GRASSROOTS TENANT'S ASSOCIATION 1975-1995

by

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Abstract

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This is a case study of what happens when a grassroots organization challenges some part of the system by institutional or noninstitutional means. The organization is a tenants' association (TA) of which I have been a participant-observer since 1975. This TA was organized in 1975 in a seven building development on the Upper West Side of Manhattan called Park West Village to fight a substantial rent increase demanded by the landlord, Harry Helmsley. The TA was set up as a permanent organization. The rent increase was defeated. A Warranty of Habitability case was fought and won on another issue. (This was the first case filed under this law.)

In 1984 condominium conversion was initiated by the landlord. The TA fought against this and lost. Four of the seven buildings have been converted under a non-eviction plan.

Theoretically, the political process model set forth by Doug McAdam was used in this analysis. This model is an outgrowth of the resource mobilization model used by some researchers to examine grassroots social movements.

Background on rent control laws and the agencies that administer them is given. The condominium conversion that was so popular in the 1970s and 1980s is discussed. The TA, itself and its Executive Board is described. The role and future of such grassroots organizations is examined.

To Ethelyn McCammon, "Pat" Graham Pulver, Kathryn Graham Johann

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CHAPTER I

INTRODUCTION

Theoretical Problem

This is a case study of what happens when a grassroots organization challenges some part of the system by institutional or noninstitutional means. The organization is a tenants' association (TA)of which I have been a participant-observer since 1975. This TA was organized in 1975 in a seven building development on the Upper West Side of Manhattan called Park West Village to fight a substantial rent increase demanded by the landlord. In the 1980s the TA went through another crisis brought about by conversion to condominiums of the seven buildings in three stages. In the first stage, the two most recently built and advantageously sited would be converted; the second stage would be the conversion of the two buildings built before the first stage buildings; and the third stage would be conversion of the three oldest buildings located the farthest from Central Park. Due to the collapse of the condominium market in the late 1980s, the third stage has not begun.

In 1984, condominium conversion was initiated by the landlord in the two newest and best-sited buildings facing 97th Street between Central Park West and Columbus Avenue. The TA retained a lawyer to take action against the landlord based on the premise that Park West Village was a Title I project built on public land with public funds; therefore no change in land use could be made until forty years after the development was completed. Four years later in 1988, Judge

Martin Evans ruled against PWVTA stating that the land use was not being changed from residential use. Conversion was delayed for another six months by the TA contesting the validity of the landlord's application.

Another action was initiated by the TA in January, 1986 in response to the landlord's serious harassment of tenants. This was a complicated case and on December 24, 1987, Judge Kenneth L. Shorter issued an amended order enjoining harassment by stipulating twelve broad areas that constituted harassment and were specifically forbidden. The landlord's harassment was intended to persuade tenants to move since empty apartments are much easier to sell.

The 1969 Rent Stabilization Law (RSL) established the Rent Guidelines Board to set stabilized rent increases annually and the Conciliation and Appeals Board (CAB) to settle disputes between tenants and landlords. The Omnibus Housing Act of 1983 shifted the administration of the RSL from the city, thus abolishing the CAB, to the New York State Division of Housing and Community Renewal (DHCR) which administered rent control and the Emergency Tenant Protection Act of 1974 outside of New York City (Jarret and McKee, 42, 46-47). The commissioner who heads DHCR is appointed by the governor. It is an underfunded agency which means that it takes at least four years to decide on complaints, if the complaint is not lost in the process, and is perceived by tenants to favor landlords in its decision-making.

Rent Regulation in New York City

There was a brief period of rent regulation in the 1920s. Rent regulation

has been almost continuous since World War II; first, under the federal government, then the state, then the city, and since 1983 under the state government.

> In 1971, Governor Rockefeller pushed a package of bills through the State Legislature. The bills provided for vacancy decontrol of all rent regulated apartments throughout the state, effective June 30, 1971. One of the bills, known as the Urstadt Law (named for Charles Urstadt, Rockefeller's housing commissioner) prohibited the City of New York from adopting any law or regulatory amendment that would make the rent regulation system more "stringent" (i.e., more protective of tenants) than existing law (Jarrett and McKee, 46).

The Urstadt Law is still in effect.

By 1974 the effects of no rent controls had become painfully apparent. When tenants moved or died, their vacant apartments were no longer subject to rent control provisions. This enabled landlords to raise rents as much as they wanted. Many landlords harassed their tenants (e.g., not making needed repairs) until they moved, so that landlords could have more decontrolled apartments at their disposal. "During the three years full vacancy decontrol was in effect, some 110,000 rent stabilized and 400,000 rent controlled apartments were removed from the rent regulation system" (Ibid., 46). In 1971 the real estate lobby had promised that many new units would be built as a result of rent decontrol and that the already existing housing supply would be upgraded when rents were raised. The legislature had passed some benefits as incentives for the builders. Yet, the housing supply was not upgraded and there was no increase in housing construction.

The Emergency Tenant Protection Act of 1974 required that rent-controlled

apartments in buildings of six units or more be decontrolled upon vacancy and then be covered by rent stabilization (another form of rent control).

The Omnibus Housing Act of 1983 shifted the administration of rent regulation to the Department of Housing and Community Renewal (DHCR), a state agency. This law also abolished the three-year lease which had been an option along with one- and two-year leases. Thus tenants received a rent increase every two years instead of every three years.

All rent control laws are subject to a periodic expiration date and they must be renewed. This has usually been two years for the state, and three years for the city. In 1994, however, the state legislature renewed the laws for three years which means that in 1997 the state and city renewals will come up in the same year. This greatly affects tenants and tenant lobbyists because they have to mobilize their forces for two big events, one in New York City and one in Albany.

The 1994 state law renewal enacted a limited decontrol measure: any lease being renewed at a rental of $2,000 where the annual household income is $250,000 or more will be automatically decontrolled. The rationale for this was that the rich -- Mia Farrow was a favorite example -- were getting away with cheap rents because they lived in rent-controlled buildings. Under the 1994 provisions, it is no longer mandatory that landlords register their apartments every year. This makes it harder for a new tenant to trace the apartment rent history after signing a first lease. The tenant can get the rent adjusted if it can be shown that the landlord is overcharging. This has happened a number of times

in Park West Village.

> Rent control in New York City operates under the MBR system. A maximum base rent is established for each apartment and is adjusted every two years to reflect changes in operating costs. Owners who certify that they were providing essential services and have removed violations are entitled to raise rents by 7.5 percent each year until they reach the MBR limit. Tenants may challenge proposed increases on the grounds that the building has violations or that the owners' expenses do not warrant an increase (Jarrett and McKee, 47).

Rents can also be raised if the landlord makes substantial improvements in the building, greatly increases the services, or can qualify for a hardship increase, which applies to landlords who are not able to cover their service and maintenance costs and realize a fair profit. However, the landlord is not allowed to harass the tenant. If the landlord does, the tenant is entitled to a rent rollback and does not have to pay future increases. The landlord may also be given civil penalties.

Rent Stabilization applies to buildings of six or more units which were built between February 1, 1947 and February 1, 1974. Another category of rent stabilized apartments "covers buildings with three or more apartments constructed or extensively renovated since 1974 with the aid of special tax benefits provided by the 421a and J51 programs. These buildings are subject to vacancy decontrol when the tax benefits end" (Jarrett and McKee, 48).

While DHCR is responsible for enforcing rent regulation, the Rent Guidelines Board (RGB) in New York City sets the rents for stabilized units each year for one- and two- year leases. The RGB also orders a flat increase for

apartments in the range of $300 and $400 or less. For example, in 1986 they ordered a $15 add-on for rents under $350. In the next year the RGB gave a $5 increase to tenants whose rent was $325 or less and the following year another $5 increase for rents of $325 or less.

In 1993, new leases on apartments were given a vacancy increase of 5% for units under $500/month, 3% for units between $500 and $1,000, and 0% over $1,000. In 1994, which was an election year, the increases for lease renewals were very low (one-year lease: 2 percent, two-year lease: 4 percent). A $15 per month "low-rent adjustment" for rents under $400 in buildings of fewer than 30 units was also passed. This means that people who are paying what the RGB considers low rents, less than $400, are getting a flat increase in addition to their regular lease-renewal percentage increase. While there is a constant increase in all stabilized rents, there is an even greater increase for those who pay less than $400 since they have to pay a flat increase plus the percentage for a one- or two-year lease renewal. This means that there is a steady upward thrust on all rents but greater upward pressure on relatively low rents.

Political and Economic Context

According to a 1991 Census Bureau report on first-time home buyers in late 1988 and most of 1989:

> A family's first home probably will need fixing up and probably will not have items like a dishwasher, second bathroom, central air-conditioning or a fireplace... Someone buying a first home typically spent $68,000. People trading up paid an average $96,000 (*New York Times*, Oct. 31, 1991, D5).

Another Census Bureau study cited a median-priced house in the Northeast at $100,000 explaining that

> A Median-priced house is one that is more expensive than half the homes in a market and less expensive than half. A modestly priced house was defined as one that costs less than 75 percent of the house in the market (New York Times, June 16, 1991, 18).

The northeast quarter of the United States is the most expensive for homeownership. In order to buy a median-priced starter home priced at $94,230 in 1990, a young family would have to save $20,452 to afford the 20 percent down payment and closing costs. This would require a minimum annual income of $33,260. In the twenty years from 1970 to 1990 the median price of the first home for a married couple between 25 and 29 years old increased by 21 percent in constant dollars while in the same period the income of this couple fell by 7 percent, from $28,500 to $26,700 in constant dollars (Peterson, 1991).

Due to the unaffordability of homeownership, the condominium has become an answer for many. In a February 18, 1980 article, *Business Week* called it "condomania." It was sweeping the large cities and was particularly popular in Chicago where developers branched out to other cities. While the profits could be enormous for developers willing to take the risk, condominium ownership was a way for people who couldn't afford private homes to "accumulate equity." The fall-out from this trend was that it reduced the stock of affordable rental housing. The national vacancy rate in rental housing was below 5 percent as far back as 1980.

Some cities enacted restrictions or even temporary moratoriums on condo conversions because of the danger to affordable rental housing. For example, condo

conversion was so popular by 1979 in Brookline, Massachusetts, a small community outside of Boston, that the town council hired researchers to determine how condo conversion was affecting their community. Brookline had adopted rent control for over 50 percent of its housing stock some years before and wanted to ensure that the community would continue to be stable and viable. The main effect of the conversions was that new buyers were more affluent than old renters. Buyers were mostly managers and professionals. The elderly renters and younger, more transient renters were squeezed out. Since, in general, the latter would have moved within two years anyway, it was the elderly who were most negatively affected. They did not want to move, and their incomes were usually insufficient to afford similar housing elsewhere. One of the study's conclusions was that

> While rent control in Brookline has protected renters from some of the inflation in housing costs, residents are generally aware of how much housing costs have escalated. The desire to achieve some protection against housing cost inflation as well as the opportunity to realize a gain from investment, are significant factors in leading many people to buy condominiums (Dinkelspiel, *et al.*, 1981).

Developers take advantage of people's fear of being shut out of a shrinking housing market, and of their hope to purchase something they believe can only increase in value because of the continuing housing crisis.

Nationally, two-thirds of the population have been homeowners while one-third were renters. In New York City this ratio has been the opposite with less than one-third of the population owning their own homes. Homeownership reached its highest level in New York City, increasing from 23.4 percent of households in 1980 to 28.4 percent of households in 1990. The largest part of this increase was for cooperatives and

condominiums. "Construction and conversion reached a peak between 1984 and 1988, then ground to a virtual standstill as the city's economy slumped..." (Lueck, 1991).

The Real Estate Finance Board of the New York State Attorney General's office reviews all condo and co-op plans from developers and sponsors. The bureau said that the peak growth year for condo conversions was 1986, that in 1990 they dropped to less than half of that, and in 1991 conversions and construction all but ceased. There were then 503,647 condos and co-ops in New York City (Ibid.). There is no record in the City Finance Department on how many of these are owner-occupied, but this is a substantial number of rental units to remove from the market. In 1991 there remained 124,400 rent controlled apartments and 850,000 rent stabilized units.

Theoretical Significance

The political process model set forth by Doug McAdam (1982) will be used in this analysis. This model is an outgrowth of the resource mobilization model which has been used by a number of researchers since the 1960s to analyze grassroots social movements. The resource mobilization theorists view social movements as a means for social change; that a movement's ability to create disruptions is what leads to social reform and greater democratization. Grievances and injustices are not viewed as singular events but as evidence of an "underlying structural antagonism...Insurgencies, then, are direct extensions of ongoing institutional processes rather than explosions produced by fractures in the social order" (Jenkins, 1985). Tenants' associations can create disruptions by rent strikes or withholding rent under the Warranty of Habitability law. This is a state law that stipulates that landlords must provide habitable dwellings to tenants. The Park West

Village TA won the test case under this law in 1977 because management had not provided tenants with the proper means of disposing of their garbage during a maintenance workers' strike.

Resource mobilization researchers use the following factors in assessing a social movement:

> (a) movement actions are rational, adaptive responses to the costs and rewards of different lines of action; (b) the basic goals of movements are defined by conflicts of interest built into institutionalized power relations; (c) grievances generated by such conflicts are sufficiently ubiquitous that the formation and mobilization of movements depends on changes in resources, group organization, and opportunities for collective action; (d) centralized, formally structured movement organizations are more typical of modern social movements and more effective at mobilizing resources and mounting sustained challenges than decentralized, informal movement structures; and (e) the success of movements is largely determined by strategic factors and the political processes in which they become enmeshed (Jenkins, 1983, 328).

Both resource mobilization and political process theories are based on an elite model of society as opposed to a pluralist paradigm. In the elite model most of the wealth and power in this country is in the hands of a few elites that may sometimes have conflicting aims but, when threatened by an outside force wanting basic change, will unite to protect their common interests (Domhoff, 1967, 1970, 1978; Mills, 1956). In the political process model, "social movements are seen...as rational attempts by excluded groups to mobilize sufficient political leverage to advance collective interests through noninstitutionalized means" (McAdam, 37). If the movement is successful, some accommodation will have to be made to the challengers of the *status quo*. This view of the elites does not rule out change from below by noninstitutional means. Unlike Piven and Cloward (*Poor People's Movements*), who believe that once an organization has begun to assume some

permanency it can no longer be effective in achieving what it originally set out to do, in the political process model the movement must be sufficiently organized so that it can take advantage of any political openings that occur in order to function as an aggrieved social movement.

According to Piven and Cloward a change in consciousness, or awareness, may be caused by at least three factors, (1) the system loses its legitimacy, (2) people begin to assert their rights, (3) people have a sense that they can change things (1979, 3-4). The political process model calls this *cognitive liberation*. "Solitary individuals are more likely to hold themselves responsible for their situation...[whereas]...movement emergence implies a transformation of consciousness within a significant segment of the aggrieved population" (McAdam, 51). To have a successful insurgency, it is necessary to form an organized group that understands the issues and the nature of the particular grievance, and to have a favorable political situation in which to protest.

> The point is that neither "strain" nor some propitious combination of underlying grievances and newly mobilized resources create a social movement. People do, on the basis of some optimistic assessment of the prospects for successful insurgency weighed against the risks involved in each action. *To the extent that resource mobilization theorists have failed to acknowledge this crucial intermediate process, their model is incomplete* (Ibid., 34). (Emphasis added.)

The three dangers that can threaten to transform an ongoing grassroots organization are: oligarchization, co-optation, and dissolution of indigenous support. "Should insurgents manage somehow to avoid these dangers while maintaining an adequate flow of resources the movement is likely to endure" (Ibid., 56). The social control response to an insurgency depends upon the strength of the insurgent movement.

Among the elites, some will see the insurgency as a threat and want to destroy or neutralize it, some will see it as an opportunity to advance their own interests and give it cautious support, and some may see it as no threat and ignore it (Ibid., 56-57).

Institutionalized tactics are less threatening to elites since such tactics do not question the political foundations of the society and "because it is within these 'proper' channels that the power disparity between members and challengers is greatest" (Ibid., 57). Noninstitutionalized challenges will also be viewed as threats by those established institutions that are supposed to deal with such grievances. There is a profound difference in reactions of elites to revolutionary goals and reform goals. Reform goals will meet limited opposition and "are frequently aided in their efforts by their ability to exploit existing divisions among the elite" (Ibid., 58). Truly revolutionary goals "usually mobilize a united elite opposition whose minor conflicts of interest are temporarily tabled in deference to the central threat confronting the system as a whole" (Ibid., 58). A second critical dilemma is:

> Although recourse to institutionalized tactics and moderate goals is likely to diminish opposition to the movement, it will just as surely reduce the overall impact of the movement...Accordingly, insurgents must chart a course that avoids crippling repression on the one hand and tactical impotence on the other (Ibid., 58).

Or the organization will cease to exist.

To summarize, there are three factors that shape the generation of a social action: (1) a favorable political atmosphere, (2) a strong organization having adequate resources, and (3) organization members having a shared cognitive liberation, that is, a shared awareness of their goals and societal position. Over time, these will combine with the

varying social control responses of the elites and the outcome will signal what measure of success was attained.

A tenants' association is made up of a disparate group of people who have a residential address and landlord in common. What causes them to come together as an organization is for the purpose of fighting a perceived grievance against the landlord. After the grievance is settled, the TA often will realize that it should remain organized for future contingencies such as the periodic threat to rent controls. The TA can also elect to join in a larger tenant movement by joining the Metropolitan Council on Housing (Met Council) and New York State Tenants & Neighbors Coalition (NYSTNC).

Met Council was founded in 1958 and is the oldest tenant organization in New York City. Its primary purpose is to organize and educate tenants. It issues a newspaper (*Tenant*) eleven times a year, sponsors a radio program dealing with tenant problems one hour a week on WBAI (99.5 FM) and has branches and affiliates that meet regularly in various parts of the city. NYSTNC is a state-wide tenant organization active since 19974. It puts out a newspaper several times a year. Its primary purpose is to lobby local and state governments on behalf of tenant interests. Its statewide office is in Albany and other offices are in New York City, Syracuse and Rochester. In the most recent edition of its paper, *Tenants & Neighbors* Summer 1995, it advertised for "Two tenant Organizers to work in NYC." The salary for these full time positions is modest but the benefits are substantial. Both of these organizations solicit individual as well as TA members. They are responsible for organizing buses to Albany for lobbying legislators and

various tenant demonstrations and meetings.

PWVTA belongs to both organizations and participates in their lobbying efforts in Albany as well as locally. PWVTA leaders testify at public hearings on tenant interests, such as the Rent Guidelines Board.

TAs are difficult to organize and their organization generally comes about due to some threat to renters being able to afford their rents. The threat may come directly from the property owner or indirectly through legislation that favors the property owner, such as the passage of Proposition 13 in California in 1978 which gave property owners substantial tax reductions. Contrary to what they had promised renters, landlords did not reduce rents but raised them wherever possible. Fortunately tenants began organizing in Southern California the year before to resist on the local level.

The formation of TAs may challenge property relationships, rental laws and the legislators who enact those laws. How effective can TAs be since big landlords are a powerful elite and use their power to influence the political process so that their interests are enhanced? If tenants organize they can improve their situation and resist landlords' efforts to abolish rent controls. It is the large landlords, like Helmsley, who own many middle- and upper-middle-class rental buildings and give politicians substantial campaign contributions through their landlord organizations to support further inroads on the Rent Stabilization Law. The fact that rent controls have to be renewed every two or three years leaves tenants in a very tenuous situation because most incomes do not increase as

rapidly as rents. A housing shortage exists as long as the overall vacancy rate is under 5 percent. It has been a little over 3 percent for the past few years and shows no sign of increasing. Federal expenditures for housing began decreasing in the Carter administration. Unless tenants organize to demand affordable housing, they are at the mercy of greedy landlords and the politicians who support them.

The most effective action that tenants can take is withholding all or part of the rent. This requires almost unanimous participation and the funds to pay a lawyer when tenants are notified of landlord's intent to evict the tenants and they have to defend themselves in Landlord-Tenant Court. In the case of Harry Helmsley, owner of Park West Village, he has always appealed decisions favoring tenants, even up to the federal Supreme Court (which refused to consider his appeal).

In the case of legislators, tenants try to pressure them by letter-writing campaigns and demonstrations. Not enough tenants participate in these actions. (To get a thousand tenants to Albany is considered a sizable turnout. Usually it is less than that.)

Organizing tenants is not easy because (1) they are used to dealing with the landlord on an individual basis, (2) it takes time and some effort to participate in a TA, and (3) people generally regard their home as their private sanctuary and associate organizing with the workplace. They may also feel impotent in confronting immensely wealthy landlords like Harry Helmsley who is a

billionaire.

Park West Village Tenants' Association

Park West Village is a Title I development built in the early 1960s by William Zeckendorf after a scandal that led to Robert Moses' downfall (Caro, 1975, 1010-1015). It consists of seven buildings containing 2,500 apartments and is located between 97th and 100th Streets, and Central Park West and the west side of Columbus Avenue.

The Park West Village Tenants' Association (PWVTA) was formed in 1975 after Harry Helmsley, one of New York City's biggest landlords, who bought Park West Village in August 1972, had obtained a 7.215 percent hardship rent increase which was in addition to the increases tenants paid at each lease renewal. The PWVTA immediately sought legal counsel and challenged the landlord's action.

Park West Village has been covered since 1969 by the Rent Stabilization Law which has been renewed at various annual periods in Albany over the protests of the landlords. Even so, the landlords have been successful in weakening provisions of the Law through the years. Every year New York City's Rent Guidelines Board, appointed by the mayor, decides on what increases landlords may charge for new leases and lease renewals.

The landlord-tenant adversarial relationship is not simply economic but political as well. The state and local governments provide some protection for tenants from real estate interests but the legislators are subject to pressure from landlord organizations which make big campaign contributions to politicians. The

most disruptive action that tenants can take against a landlord is a rent strike. Court actions can be initiated by a TA to keep the landlord from infringing on tenants' rights. Tenants' lobbying and speaking at public hearings on housing issues are presently not very effective because not enough tenants turn out to make the politicians notice them. Besides, public meetings are often held during the day when most people are at work.

The PWVTA has conducted demonstrations against Park West management but most of its actions against the landlord have been legal. In the Warranty of Habitability action, 400 tenants withheld 15 percent of one month's rent to protest management's lack of provision for garbage disposal during a maintenance workers' strike. The TA's most recent Court action against condominium conversion was unsuccessful but, as mentioned in the political process theory, the tenor of the times was against the TA since conversion was so popular in the 1980s. Legal fees are still the biggest item in the TA's budget since Park West management is seeking to negate DHCR's ruling which granted a rent reduction in the three Columbus Avenue buildings in response to a lack of maintenance and security complaint filed with DHCR by the TA. Although membership has decreased due to the condo conversion, the TA still has sufficient impetus to maintain its organization and be ready to take action if management does not fulfill its obligations to tenants.

Related Literature

There is very little literature on tenants' grassroots organizations. Lawson

and Johnson's essay, "Tenant Responses to the Urban Housing Crisis, 1970-1984 (Lawson, Ed., 1986, 209-276), presented a detailed analysis of the tenant movement in New York City during that period. They also gave a sense of how difficult it is to maintain an effective tenant movement because part of the movement (Metropolitan Council on Housing) wanted to work toward the ultimate goal of public ownership of housing while another group (New York State Tenants Legislative Coalition) wanted to work for legislation that would benefit tenants and try to defeat legislation that was detrimental to tenant interests.

In *Critical Perspectives on Housing*, an article on "The Tenants' Movement and American Politics" by John Atlas and Peter Dreier reports that:

> Tenants, long a sleeping giant in American politics, are beginning to wake up. A new generation of middle-class tenants, seeing the "American Dream" of owning a house slipping away, is joining the urban poor in a growing renters' rights revolt across the country (Bratt, *et al.*, 378).

Atlas and Dreier believe that a broad political constituency must be mobilized for the purpose of getting legislation passed that would alleviate the current housing crisis. This coalition would encompass senior citizens, consumers, women, and environmentalists for the purpose of directing resources from the military to human needs (Ibid., 380). They also believe that beyond the tenants' immediate problems with landlords and gentrification:

> The tenants' movement *raises political consciousness*...The tenants' movement also *builds grassroots organizations and wins victories*...The tenants' movement is thus a building block for a more comprehensive political movement, and in its own way, contributes to that process, without which no housing reform is possible (Ibid., 394). (Emphasis in the

original.)

They conclude that:

> The importance of the tenants' movement is its potential for politicizing and mobilizing a great part of America's population around immediate problems, then pointing the way toward larger solutions as part of a broad coalition to democratize American society (Ibid., 397).

These men were writing in the early 1980s when single-family housing was becoming unaffordable and more people were forced to become renters under unfavorable circumstances (little or no rent controls). Their's was more a call to these people to protest in the current housing crisis. While there was some tenant organizing in Southern California after Proposition 13 lowered property taxes, nationally there was no significant tenant organization.

In the same book, an article by John Cowley, "The Limitations and Potential of Housing Organizing," has a more pessimistic outlook, simply, that tenant organizations are very transient. He believes they consist of "two main types: those formed to fight a specific issue and those based on representing the general interest of a group of tenants." He does point out an important difference between union and tenant organizing.

> Unlike workplace organizing where the general interdependency of modern production and the mass character of the labor process is a basic condition for labor solidarity and unity, in housing, organizing goes against the social grain. The immediately given forms of family and personal life impose an isolation and fragmentation on social life which must be overcome in order to sustain any organization (399).

He concludes that tenant organizations, like trade unions, serve a purpose in organizing class interests but that they are not the vehicles for radical change in the distribution of power and resources. His observation about the privacy of the home as opposed to the

shared conditions of the workplace is very important. Not only do tenants want the protection and privacy of their own homes but they are made to understand that housing *is their own private responsibility.* These may be two reasons why it is so difficult to organize tenants on a long-term, multi-issue basis.

In his book, *Tenants and the American Dream: Ideology and the Tenant Movement*, Allan David Heskin (1983) was mainly concerned with enhancing tenant consciousness as a means of organizing tenants into political movements.

> The tenant movement in Santa Monica [California] started as a protest movement. When protest did not bring concessions, it became a political movement with the aim of transforming the local state away from the interests of landed and finance capital and toward the interests of the tenant population (xvii).

Based on the writings of others on working class consciousness, Heskin developed four "elements" for judging tenant consciousness. They are (1) recognition of tenants' collective interests, (2) level of theoretical sophistication, (3) willingness to be active, and (4) attitudes about the institution of landlordism (xix).

In California, renters are 45 percent of the state's population and they began to experience a housing shortage in the mid-1970s when vacancy rates dropped below 5 percent (48). Failure to get rent-control legislation passed because of a strong landlord lobby led to the formation of the California Housing Action and Information Network (CHAIN) in early 1977.

> The major focus of the new organization was to encourage local tenant organizing. They were convinced that real power in Sacramento would be built only on strong tenant organization in local legislative districts. As rent increases began to push tenants to their financial limits by early 1977, the timely formation of CHAIN in reaction to the landlords' legislative efforts provided a network to channel, direct, and assist the outbreak and

organization of local tenant activity around the state (Ibid., 43-4).

In 1978, Proposition 13 was passed giving property owners significant tax reductions and CHAIN was responsible for much of the tenant organizing in Southern California.

With the help of tenant activists from around the state, Heskin constructed a questionnaire based on his four elements of tenant consciousness which identified six levels of tenants' consciousness. The least amount of consciousness was at the bottom of the list, the "landlord lover...who identifies with the landlord position on all four elements of tenant consciousness." The next level referred to the "unconscious" tenant who overlapped with the "landlord lover." While the "unconscious" tenants might consider taking action if they felt they had been wronged, they would not do so, for fear of being evicted. The "individualists" have some awareness of tenants' problems but are not ready to participate in a TA. The "defender" would be willing to join in a building action to right a wrong committed by the landlord, but would not participate in tenant action outside the building. The "consumers" accept the current landlord-tenant relationship as an inevitable part of the system, but they are basically suspicious of landlords and they support the regulation of rental property. The "radicalized" tenants are at the top of the list and refer to people who prefer organizing tenants to doing electoral and legislative work, unless it is directly connected to tenant issues and organizing (69-72). The study was useful in understanding what is involved in organizing tenants and Heskin's six types of tenants would be familiar to anyone who has worked with tenants.

The Method of Research

This is a case study of a grassroots organization which is a tenants' association in

a seven building complex that is being converted to condominiums in three stages.

Research Procedure: (1) In-depth examination of all papers (court decisions, legal arguments, etc.) having to do with early Court cases as well as the condominium conversions. Examination of all available documents created by the TA, itself, such as newsletters, flyers, executive board meeting minutes, tapes of these and other meetings, financial reports, brochures, memos, and all other relevant material.

(2) Participant-observation of the organization for a year or more which means attending all executive board meetings and as many committee meetings as possible. The analysis will be concerned not only with what is going on but also with a secondary level of the secret agendas and conflicts within the group.

(3) It is impractical to try to collect demographic data on the tenants since they are by and large a suspicious and fearful group. Suspicious of what the landlord might do next to increase his income (such as, the major capital improvement increase he got for installation of new windows in the three unconverted Columbus Avenue buildings of approximately $15 per room per month to become part of the permanent base rent) and fearful of losing their apartment and not being able to afford a non-rent regulated apartment. And, as mentioned in the discussion on the literature, tenants are a very private group who especially do not want their domestic privacy invaded in any way.

To get an idea of income levels in Park West Village, when an apartment becomes vacant in the unconverted buildings, management refurbishes in order

to get the rent as high as possible for the next renter. Their official policy is that the new tenant must earn four times the monthly rent per month. A few years ago, the tenants heard that management would only accept new renters earning at least $50,000 per year. This past year I have heard of or talked to two separate individuals who couldn't get an apartment: each one of them earned $30,000 a year. It is assumed that management's real policy is to rent to people who could afford to buy their apartment in the event that the buildings are converted as originally planned. Only management has any idea about the income levels of the tenants and only when the tenant signs the first lease does he/she have to give information on income. Census figures on incomes do not exist for such a small area as Park West Village.

This TA has survived for twenty years and it has gone through various changes along the way. It will be incumbent upon the researcher to examine these changes to find out if they have strengthened or weakened the TA. Due to the conversion process there will be more changes in the future. The TA will have fewer members because as renters' apartments become empty, the apartments are decontrolled and future renters are not covered by Rent Stabilization laws so they have little incentive to join the TA.

The tenants affected by the third stage of conversion will have the advantage of the experience of the two previous stages. Most likely there will be even greater strains within the PWVTA since some of the people who were most strongly opposed to the non-buying tenants participating in negotiations with the

sponsor live in these buildings. There are those who feel that it is necessary for the non-buyers to participate in negotiations with the sponsor in order to protect tenant interests. Given the latitude of the non-eviction conversion law, it is virtually impossible to prevent a landlord from converting unless there is evidence of fraud. Then he/she would simply have to wait a year before starting the process again.

After the conversion is complete, the restraining order against harassment presumably will not apply. Will management take advantage of this to try to force renters to move? As the organization shrinks, is it possible to enlist support from new non-rent stabilized tenants, or can the TA become a neighborhood organization for other rent stabilized tenants in the area?

Conclusion

The PWVTA has been successful in resisting the landlord and it has failed in a crucial attempt to prevent Park West Village from being converted to condominiums.

The hardship rent increase was unique in that all the tenants were affected. A record number turned out for the first meeting and the TA experienced no trouble in raising money for legal fees. The tenants realized that they had to organize a permanent organization. While they couldn't know how long the hardship case would drag on, they wanted to be prepared for any future problems with the landlord. As noted in the political process model, this TA had a favorable political atmosphere. In fact, its elected representatives in the state

legislature introduced a special bill to have Park West Village and two or three other buildings in New York City specifically exempt from the hardship increase. Their organization was strong and it had adequate resources. The membership was strongly united in wanting to have the rent increase declared inapplicable.

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CHAPTER II

ORIGINS OF PARK WEST VILLAGE AND THE TENANTS' ASSOCIATION

Introduction

Park West Village was built under Title I of the federal Housing Act as part of Robert Moses' urban renewal program. The origins of Park West Village will be described since it was a reflection of how federal urban renewal plans were administered in New York City.

Park West Village was the first sign of the more recent gentrification on the Upper West Side. The continued gentrification of this area is described briefly since it contributes to making this area of Upper West Side a desirable location for condominium owners.

The origins of rent regulation and some aspects of large New York City residential landlords will be discussed as background for a detailed description of the early struggles of a Tenants' Association (TA) with a landlord who was determined to make his residential investments as lucrative as his commercial ones.

While the TA was doing battle with Helmsley on the hardship rent increase case, it also went after him on the way the tenants were treated during a maintenance workers' strike. The TA was the first to take Court action under the new Warranty of Habitability Act.

Urban Renewal

The Housing Law of 1949 was actually formulated in the 1930s when the

National Association of Real Estate Boards (NAREB) was concerned about the lack of money for development and maintaining the value of their investments. They believed that the government could use its right of eminent domain to facilitate assembling small parcels of land into larger ones for private developers. By citing future tax increases for the improved value of the property and the improved appearance of the city, they hoped to get inner city land for less money. "Therefore, NAREB and its affiliated think tank, the Urban Land Institute, began in the late 1930s to generate proposals for federal involvement in urban redevelopment" (Hayes, 175-176).

It took four years to pass the Housing Act of 1949 because NAREB objected to the concept of public housing as too socialistic. Public housing was coupled with urban development for the purpose of housing those displaced by such development. "As originally set forth, Title I provided federal funding for property acquisition, demolition of structures, and site preparation in development areas..." (177). The federal government was to pay two-thirds of the cost and the local government, one-third.

> The Housing Act of 1954 changed the name of the program from *urban redevelopment* to *urban renewal,* and, to encourage more comprehensive planning, required that each city submit a Workable Program showing how it planned to attack the problem of urban decay (178).

This law provided for more non-residential renewal and less residential renewal. Eisenhower tried unsuccessfully to reduce the program. When Kennedy came into office, he increased its budget substantially. The program became very popular

with cities during the early 1960s and "by the end of the decade, there were few cities of any size in the United States which did not have at least one urban renewal project planned or underway" (178). Furthermore,

> With the public housing component reduced and the emphasis on commercial development increased, in the late 1950s, the program quickly destroyed many more units of low income housing than it was able to replace...Coupled with extensive displacement due to highway construction and to private redevelopment, urban renewal displacement seemed one more way the poor were being shoved aside to meet the needs of upper income groups (181).

The 1954 Housing Act shifted initiation and administration of the projects to the local level. This "allowed downtown business, developers, and their political allies, who had little interest in housing, to use federal power to advance their own ends" (Mollenkopf, 117).

During the Eisenhower administration, the largest highway bill ever was passed to build the interstate system.

> Within central Cities, highway departments typically aligned interstates to create barriers between minority neighborhoods and areas they wished to preserve. For many years, they gave no relocation assistance to displaced tenants. They did, however, assist the growth of central business districts. Even more, they promoted the growth of suburban and new metropolitan areas (121).

Another effect of urban renewal was that it changed the class composition of neighborhoods: poor working-class people were replaced with white collar workers and professionals who could afford the higher rents.

> If we examine housing construction during this period, we find that the housing built on urban renewal land primarily accommodated a *higher-income population* than the housing that was demolished. Some public housing for low-income families was built, but *twice* as much land was developed for private housing as for public housing.

> *In the central city especially, the housing that was constructed on urban renewal land was overwhelmingly suited for upper-middle-income groups* (Kleniewski, 210). (Emphasis added.)

The result of this was "people removal" or "Negro removal" programs as they were often called by those who lost their homes due to urban renewal and the riots and protests that followed.

> The National Commission on Urban Problems, appointed by President Johnson in response to urban disorder and headed by former Senator Paul Douglas, documented the negative impacts of urban renewal on low income neighborhoods. As of June 30, 1967, approximately 400,000 residential units had been demolished in urban renewal areas, while only 10,760 low-rent public housing units had been built on these sites (Weiss, 53).

Minorities suffered in much greater proportion than their white counterparts. "Ten percent of all central city residences occupied by whites and 20 percent of units occupied by blacks were lost over the decade" (Logan and Molotch, 114).

The site of Park West Village was developed as an urban renewal project. It was originally an ethnically and racially mixed neighborhood of poor working-class tenants. Under urban renewal the area was condemned and prepared for housing middle- and upper-middle-income tenants. The new tenants were mostly white. They were professionals and white collar workers. The majority of the apartments were one-bedroom units with a sprinkling of studios and a few two-bedroom units. At that time, it was assumed that when couples had children they would buy a house in the suburbs.

The Origins of Park West Village

Manhattantown (now Park West Village) was chosen as a Title I site in 1952

by Robert Moses, director of the Mayor's Slum Clearance Committee (Caro, 961). Six square blocks (97th Street to 100th Street and Central Park West to Amsterdam Avenue) was covered by 338 buildings which were valued at $15,000,000. The site was sold for $1,000,000 by the Slum Clearance Committee to Samuel Caspert, a Democratic clubhouse figure (980-982).

Caspert found it was such a lucrative site that he left it intact and collected rents while performing no maintenance or repair service. He subdivided apartments wherever possible. It was such a gold mine that he had friends and relatives participating under the guise of performing legal or construction services. When he was finally forced to begin clearing the land, he did so slowly and moved some of the displaced families into the remaining buildings. Some families made several moves, each one involving a rent increase. The land that was cleared was turned into a parking lot (1006). The poor working-class tenants of Manhattantown paid an average rent per room of $10 and Moses planned to charge $34 per room in the new $54,000,000 development. Dislocated tenants were, in fact, discouraged from signing up for apartments in the new project even if they could afford the rents (1972).

There was no attempt to relocate the displaced tenants except into existing buildings. Most of these tenants wanted to go into public housing projects and Moses said that was where they would go. However, very few of them were so fortunate because there were not enough vacancies in public housing to accommodate all the people displaced by Title I projects (973). Three hundred to

400 families were supposed to go into public housing, but "a check by the Women's City Club three years later would show that only fifty had made it" (973). Those who couldn't move to another part of Manhattantown moved to buildings in the surrounding neighborhood where landlords were subdividing apartments. This caused further deterioration in the surrounding neighborhood (964-965).

In the first half of 1957 stories began appearing in the press about Title I projects and the irregularities surrounding them. In June 1957 Moses was told that Manhattantown, Inc.'s

> tax arrears had now topped $600,000 and were rising every day, had, because its officers had been siphoning out the money as fast as it came in, none available to pay the taxes any time in the foreseeable future; that there was also no money in sight to pay the interest on the $2,000,000 mortgage Moses had persuaded the city to give them, let alone the amortization; that there was no money in sight to build any of the buildings the corporation had, more than five years before, contracted to build on the six-block site Moses had turned over to it -- that, in short, there was no possibility at all that his "reliable bidders" could go ahead with the project (1010).

Rather than go through a lengthy foreclosure that would undoubtedly have meant bad publicity for Moses' slum clearing endeavors, the Slum Clearance Committee announced that Manhattantown was getting a new sponsor, William Zeckendorf's Webb & Knapp, Inc. (1011). Webb & Knapp agreed to settle all of Manhattantown's outstanding obligations to the city. Before the project's collapse, Caspert had sold it to Seymour Millstein and Jack Ferman for $533,250. Millstein and Ferman were given 32 percent of the stock in Manhattantown and Ferman was paid $300,000 by Webb & Knapp for unspecified services.

Caspert and Company had also been given a project in Brooklyn where Caspert was supposed to be developing Pratt Institute Housing. The same situation existed: rents were collected, maintenance was not performed, city taxes were not paid, and development was not done. An enterprising reporter found out that the Slum Clearance Committee had made a secret agreement with the Health Department not to answer any complaint calls from those projects which had been given to political cronies (1009-1012). The city newspapers were not particularly interested in Title I developments until:

> In May 1959, New York's Citizens Union, the most prestigious organization of the civic reformers from whose ranks Robert Moses had sprung but who had long since disowned him, sent his Slum Clearance Committee a list of questions about Title I sponsors. And the press not only demanded answers but, when Moses supplied them, played them as no Moses statement had ever been played (1040).

In the following months, the newspapers were full of stories of Moses' massive construction projects and the huge federal government allocations for them passing through the bank of a Tammany Hall politician who was also the vice chairman of the Slum Clearance Committee. He did the screening of proposed sponsors who, in turn, paid him for "legal" services. In the end Moses made his exit from impending disgrace for himself and the Wagner administration by accepting the presidency for the 1964 World's Fair in August 1959 (1056-1060).

In September 1951 a Manhattantown prospectus was issued, apparently by Moses' Committee on Slum Clearance Plans, which was a study of existing conditions at Manhattantown and which detailed future plans for the site. Under

"Tenant Relocation," a letter from the New York City Housing Authority addressed to Robert Moses stated that their analysis showed that out of a total of 3,628 families living in Manhattantown, 1,633 or 45 percent qualified for low-rent housing. The letter continued that this presented no problem because 50,000 to 55,000 low-rent units would be constructed under Title III of the federal Housing Act and 24,000 additional units were to be constructed under the New York State Housing Program. This would easily take care of the eligible tenants from Manhattantown. The other tenants in Manhattantown would be given whatever assistance was necessary to relocate them to appropriate housing and they would be offered first choice of housing at the new Manhattantown as the buildings were completed. As stated before, none of this was done. Applications for the new buildings were not accepted and displaced tenants were given no assistance, not even for public housing which already had a long waiting list. When the tenants were forced to move, the only notice they received was put up over the entrance to their homes and read:

"DEMOLITION OF THIS BUILDING WILL BE STARTED AT ONCE.
TENANTS MUST VACATE.
FOR INFORMATION, CALL RELOCATION OFFICE, COR. OF WEST 100TH STREET.

But there was no information nor any assistance forthcoming" (973).

Continued Gentrification of the Upper West Side

Park West Village was the first private development to be built on the Upper West Side with Urban Renewal funds. Previously the area had been a viable neighborhood for poor working-class tenants of diverse race and ethnicity.

It was a choice area for development because its location was not far from Times Square, 34th Street, and was still convenient to lower Manhattan areas due to its easily accessible subway and bus service. In addition, it faced on Central Park and was not far from Riverside Park.

A prospectus dated September 1951, issued by S.J. Kessler & Sons, Architects-Engineers, stated that the "racial distribution" on the site had changed from 1940 according to a more recent study (presumably done in 1950). In 1940 there were 60.3 percent of "native whites," 8.8 percent "non-whites" and 30.9 percent "foreign born whites." The more recent figures showed a drop to 45 percent of "native whites," an increase to 20 percent of "non-whites," and an influx of 34 percent "foreign born Spanish speaking people." Presumably the last-named were Puerto Ricans. With respect to the neighborhood, the prospectus suggested that, "Above the project [Park West Village] to the north is an area suitable for eventual redevelopment and possibly for low rent housing." Indeed, a large public housing project (Frederick Douglass Houses) was constructed there after Park West Village was finished.

In 1958 a very impressive booklet entitled "Urban Renewal, New York City Planning Commission" was issued by the Urban Renewal Administration. It was a study of the neighborhood below Park West Village, an area from 97th street to 87th Street and west from Central Park West to Amsterdam Avenue, twenty blocks in all. While the plan did not create any superblocks (in Park West Village 98th and 99th streets between Amsterdam Avenue and Central Park West were

blocked off), it did call for extensive demolition of existing buildings. Again, alarm was expressed at the change in the demographics of the population living on the site.

> While the population coming into the Study Area continues to include Europeans and residents from other parts of the United States and New York City, the largest single group of newcomers are Puerto Ricans, who now comprise one-third of the population of the Area (33).

Further, "The size of the Puerto Rican in-migrant population and the fact that they have contributed to the over-crowding and deterioration of the Area have aroused fear and hostility." Under the heading of "Community Problems and Organization," seven paragraphs were devoted to discussing the strangeness of this new in-migrant group, their low incomes, and high birthrates (Ibid.).

Over the next twenty years almost all the lots created in those twenty blocks were built on. Very few buildings facing directly on Central Park were razed and replaced, and some of the cross streets were left with their original brownstones. The brownstones were rehabilitated, usually with one or more floors occupied by the owner and the rest of the floors converted to rental units. The Urban Renewal booklet showed floor plans that prospective buyers could use. It seemed to be trying to sell the brownstones to people who would rehabilitate them, use them as residences, and use the rental units to pay off the mortgage and rehabilitation costs. Along Columbus Avenue, for example, tall apartment towers were built in the 1960s and 1970s, usually with some kind of terrace or play area at street level to comply with zoning regulations. These buildings also

had some Section 8A apartment units for low-income people so that the owners could take advantage of tax abatements over the years. From 87th Street to 97th Street, the residential building scale has changed from smaller to larger and more impersonal. The rents have also increased.

The conversion of Park West Village to condominiums as well as many other buildings on the Upper West Side of Manhattan to cooperatives or condominiums has introduced another degree of gentrification and shut more people out of what was affordable rental housing. In Park West Village the new owners are overwhelmingly white and much younger than the mostly elderly renters who remain. The new owners also may have a very young child and/or a dog. The latter is often big and frightens the elderly tenants.

New York City's Large Residential Landlords

While there is no data available on who New York City's landlords are, "a study financed by the real estate lobby found a significant concentration of ownership of New York City rental properties...71 percent of New York City's rental apartments were owned by only 12 percent of landlords" (Jarrett and McKee, 11).

> For example, the largest owner of rent regulated apartments in New York is Samuel Lefrak. According to an April 29, 1990 interview in the *Daily News Magazine*, Mr. Lefrak owns "some 94,000 units at an average [rent] of $850 a month." Thus, in 1990 his gross monthly rental income was in the neighborhood of $80 million. Moreover, if his property portfolio is multiplied by the median renter household size for 1991 (two people), it becomes clear that Mr. Lefrak is a landlord to about 188,000 people -- or 3.9 percent of the renter population in New York City (12).

"As rents have risen faster than the CPI [Consumer Price Index] in New York City, it is safe to assume that, at a minimum, rental income has grown over time as a result of these substantial rent increases" (18).

In a 1992 study done by the Department of Finance, the O&M (Operating and Maintenance) costs of 46 buildings were analyzed. (Unfortunately, larger buildings did not want to participate in the study.) The first finding was that landlords overstate their O&M costs, so the study lowered them by 8 percent. The study concluded that 69 cents of every rent dollar went for O&M, leaving 31 cents for mortgage payments and profits. Further, that about 200 applications for a hardship increase were filed with DHCR from 1984 to 1988 and that of the 167 applications they considered, only 8 were granted hardship increases. (18-19) All in all it would appear that large residential landlords realize satisfactory profits on their rent regulated buildings.

Park West Village Tenants' Association and the Hardship Rent Increase

Park West Village is a seven building development containing 2,500 apartments. Webb and Knapp built Park West Village and sold it to Alcoa in 1962 who sold it to Harry Helmsley and Associates on August 22, 1972.

The development was built to house middle- and upper-middle-income renters. It was also racially-integrated housing although it would appear that minority tenants were steered more to the older Columbus Avenue buildings. The 24th Police Precinct, which is located across from Park West Village on 100th Street between Columbus and Amsterdam Avenues, was quite prejudiced against

the development because it was integrated. A merchant in the neighborhood who owned his own business was told by detectives from the precinct not to accept checks from Park West Village residents because they were unreliable people. In the early 1960s when officers from the 24th Precinct provided security for Park West Village, they would stand outside the front door and stare at the residents going to work in the morning in cold contempt. Since the middle 1960s, Park West Village has had its own (integrated) security force complete with police dogs (the dogs died eventually and were not replaced).

Most of the apartments were one-bedroom. There were a few studios and fewer two-bedroom apartments. This meant that the tenants were mainly married couples (who rarely had children), roommates, and some singles. In the 1970s and 1980s when single-family houses became much less affordable, some couples began having children. The grounds of Park West Village are nicely designed with pleasant sitting areas and playgrounds for small children.

Until Helmsley took over Park West Village, it was well-maintained with adequate security. There were occasional attempts to organize tenants but there were no clearcut issues so no real tenants' association was established.

In February 1975 all the tenants in the Park West Village development were notified by mail of an impending rent increase of 7.21 percent. This was in addition to the increase of 4-15 percent (depending on the year) they were given whenever they renewed a lease. The reaction of the tenants was one of shock and disbelief. They held a meeting on February 27, 1975, and the turnout was so much

greater than expected that they had to hold two consecutive meetings in the auditorium that had been rented for the occasion. The tenants agreed that they wanted to fight the rent increase, that they needed legal assistance to do so, and that a Legal Committee and a Steering Committee should be set up.

A meeting of attorneys residing in Park West Village was held on March 3 and they organized the Legal Committee which recommended (1) a lawyer experienced in dealing with tenant matters before the Conciliation and Appeals Board (CAB) be retained, (2) a Legal Committee composed of resident lawyers would oversee the legal process, (3) "Pending approval by the Tenants' Association, the Association should remain intact and continue to represent the tenants in matters relating to services and rent after the current hardship-rent-increase issue is resolved," (4) each apartment should be assessed a sum of money to cover the current legal action, (5) tenants would be advised on how to react to the CAB notice of Helmsley's application for a rent increase, and (6) the Legal Committee would attend building meetings to report and advise tenants on legal proceedings as they developed (PWVTA flyer, 3/6/75).

Item (3) is important because it called for an *ongoing* Tenants' Association (TA). It was obvious to the organizing tenants that there had to be an organization ready to defend renters from any other steps Helmsley might take to increase their rents or diminish services. Perhaps they had seen a recent article in the *Daily News* entitled, "Rent Board Raps Helmsley-Spear," which began,

> The two-year-old dispute between landlord Helmsley-Spear, Inc. and tenants of the Fresh Meadows housing development in east

> Queens was partially resolved yesterday when the Rent Stabilization Conciliation and Appeals Board ordered the landlord to make building repairs, upgrade ground maintenance and submit to the board all records of service contracts.

In addition, the Fresh Meadows development had received notice of a hardship rent increase of 24.5 percent which the tenants were planning to appeal (*New York Daily News*, February 28, 1975).

It would cost money to fight Helmsley's hardship application and the tenants decided that they needed to raise $25,000 for this purpose. They also decided to assess each apartment $15, which would be the minimum monthly rent increase if the hardship increase were to succeed. Building Representatives for the seven buildings had volunteered to collect the money and do whatever else was needed, such as setting up meetings and disseminating information.

Shortly after the tenants organized themselves, a separate group emerged which called itself the Park West Action Committee. They put out a notice on March 29, 1975, announcing that an Action Committee had been formed at a meeting held on March 18. They urged activity as opposed to passivity among the tenants while they awaited the outcome of their legal action. The group also declared:

> We are all tenants, united to win in our common opposition to the landlord. We feel that this struggle at PWV is not only local, but is one manifestation of a much wider economic crisis. We feel strongly that any struggle between landlord and tenant is also a political struggle between a rich and powerful individual or corporation, and people who are progressively squeezed by rising rents and rising prices. Individually we will be demolished----<u>united we will win!</u>

The group noted that they would demonstrate in a week outside the management

office in the development, which the they did.

The Park West Action Committee seemed to be composed of people who had been active in protests in the 1960s. In their call to action, some of them wanted to promote confrontations with institutions such as the CAB or the Helmsley organization because these organizations represented exploitative forces. Some members of the TA leadership were very disturbed by the formation of this group because the TA leaders were anxious to display a unified front against the landlord. In the ensuing years members of the "action" group contributed a good deal of vitriol to Executive Committee meetings and membership meetings as well. This antagonized some tenants who attributed the disagreements within the TA to petty bickering.

Over the next few years as the hardship rent case dragged on, some tenants did not trust the leadership because they were afraid that the leadership might settle for a lower percentage in the hardship increase. At one point, the tenants' lawyer advised the TA to bargain with the landlord and put a small offering on the table (this particular lawyer was more experienced in working with trade unions). After a bitter discussion, this initiative was rejected by the TA at a membership meeting.

The hardship increase, itself, was based on a law that was superseded on July 2, 1975, by legislation which included a fairer formula that the CAB had come up with in June and which reimbursed the landlord for his *actual* increase in expenses. Since Helmsley's average gross profit had increased over the years,

he was not entitled to an increase under the new formula, so he did not apply under the new law. However, another landlord who had applied under the old law blamed the CAB for their unreasonable delay in processing his case and the Appellate Division ordered that he be considered under the old law.

Then the CAB asked Helmsley if he preferred to file under the old or new law. At first, Helmsley chose to file under the new law. He had applied to the federal department of Housing and Urban Development (HUD), which insured Park West's mortgage, for pre-emption from New York City rent regulation because, he claimed, the development was in dire financial straits and might lose its mortgage. HUD was then granting pre-emption rent increases of about 20 percent to landlords whose mortgages were in jeopardy. Helmsley saw a way of getting more money than he could get under the local laws. HUD, however, turned him down for a pre-emption increase because they found that the development was in very good financial condition. As a result, Helmsley now wanted his application processed under the old law. (*The Park West Tenant*, Nov. 4, 1977).

The Conciliation and Appeals Board (CAB) was set up by the Rent Stabilization Law of 1969 to settle disputes between landlords and tenants. It consisted of nine members, four representing tenants, four representing landlords, and an impartial chairman. All were appointed by the mayor with the approval of the City Council. In addition, the CAB had an administrative staff supported by the Rent Stabilization Association, a landlord organization.

Six months later, the tenants received a notice from the CAB announcing another Hearing on whether the landlord should be allowed to file under the old law. The Hearing was set for May 15, 1978, in the afternoon. The number of tenant representatives who were allowed into the hearing was limited to ten. That didn't sit very well with the tenants and when there was a another Hearing on May 30, seventy-five tenants showed up accompanied by their Assemblyman, Jerry Nadler. At first, the CAB was going to seat the additional tenants in a large room and let them watch the proceedings on closed-circuit television, but the tenants and Assemblyman Nadler protested so vigorously that the Hearing was moved to the larger room.

The arguments against the landlord applying under the old law were that his application was not properly filled out, that the CAB could not process an application for such a large complex in four months, and that once the landlord chose to be considered under the new law, he couldn't go back to the old law (*The Park West Tenant*, June 10, 1978). The CAB did not issue a ruling but it did choose to consider the application under the old law.

A membership meeting was called for September 25, 1978, when it was learned that the landlord wanted a 13.2 percent increase effective November 1, 1978, and retroactive to March 1975. A resolution was adopted by the membership stipulating that no hardship increase would be paid, even into escrow; that if an increase was decreed by the CAB or any Court, the tenants would initiate a rent withholding and not pay the increase; and that a committee appointed by

the Executive Committee would examine all aspects of a rent withholding action, such as, how much to withhold and how to defend against evictions.

> On October 5, 1978, the tenants' lawyers filed an Article 78 in an effort to block the CAB from deciding the 'hardship' issue under the old law and to require the application of the new law to the case...On October 10, the Supreme Court upon agreement between our attorneys and the CAB attorneys adjourned the case until...October 19, with the assurance of the CAB attorney to the Court that the CAB would not act on the case before then (*The Park West Tenant*, October 1978).

The CAB ruled on the petition on January 18, 1979. They awarded the landlord a hardship rent increase of 6.6 percent retroactive to 1975. In response to this the TA's Executive Board called an emergency meeting for January 22, 1979 and passed two resolutions:

> The position of the PWVTA is that <u>under no circumstances</u> will we agree to pay the hardship increase, and that our initial strategy will include a withholding action, as well as a complete rent strike if necessary*, for which we will attempt to mobilize the participation of every tenant.
> (*Note - A rent strike <u>is not our present course of action</u>, but will be considered if landlord's actions make it necessary)
> We instruct our attorneys to proceed with an "Article 78" (a legal tactic designed to void the CAB decision) and to carry our case as far as necessary, including to the Court of Appeals.

Then a membership meeting was held and that body upheld the resolutions passed by the Executive Board. In addition, they voted that the lawyers and TA officers should not make any compromise that would increase rents or involve retroactive payments, and that the lawyers and Executive Board were responsible for protecting each tenant who participated in the rent action from eviction.

On March 6, 1979, Park West Management Corp. sent a letter to tenants

stating that management's fuel expenses necessitated the rent increase and offering the tenants a deal: management would knock off 21 months from the retroactivity to March 1975 if the tenants paid the new rent in full and included a monthly installment against the remaining retroactive rent due.

An emergency Executive Board meeting on March 12, 1979, passed a resolution urging the tenants to ignore the landlord's last-ditch effort to get a rent increase, that the TA would continue with its legal and legislative efforts, and that if these did not succeed, they would prepare for a rent strike. The next day a very long bulletin went out to the tenants explaining the landlord's ruse and the TA's actions being taken to defeat his effort. On March 26, the landlord sent another letter to the tenants restating the previous deal, but now sweetening it a little by offering a 10 percent discount if the tenants paid the retroactive amount due in one payment before the end of the month.

An emergency membership meeting was held so that the tenants' lawyer could answer their questions. He also expressed his optimism on the outcome of the case. New York State Assemblyman Jerry Nadler reported on the progress of legislation he had co-sponsored to have the Helmsley CAB request considered under the new law. The meeting was attended by 500 tenants which was considered a very good turnout. (By the end of March 1979, the TA had 1,761 member households out of a possible 2,512.)

On April 1 there was a tenant rally and march around the development. It was deemed very successful and helped to raise morale.

Since a hardship rent increase of 6.6 percent had been approved by the CAB, it appeared on the April rent bill. The TA urged tenants to ignore the increase and pay only their regular rent. The reasons given for this action were that the law under which the landlord was awarded the increase was unjust, that legislation was pending in Albany to right this wrong, and that the PWVTA was appealing the CAB decision to the state Supreme Court. If the landlord should begin eviction proceedings against any tenant for withholding the hardship increase, the tenants' lawyer would handle it. Finally, "PWVTA tenants have been assured by our attorney and our elected officials that there will be no evictions for withholding the 'hardship' increase" (*The Park West Tenant*, April 1979).

On April 17, 1979, an Emergency Bulletin went out to the tenants giving them more specific instructions on rent withholding and explaining the difference between a "three-day notice" from management which they could ignore, and a follow-up "Notice and Petition" which ordered them to appear in Landlord-Tenants Court and could not be ignored but should be given to the TA's lawyers.

According to a TA News Bulletin issued on May 7, 1979:

> Landlord has now served approximately 310 Notices and Petitions to various tenants in all seven buildings. As far as can be determined, service was at random and no particular group was singled out. This followed widespread service of the three-day notice. Since the PWVTA membership is now close to 2,000, it appears that the majority of tenants in Park West Village received three-day notices. Tenants who received the Notices and Petitions are now in the process of receiving a copy by certified mail. Although we can't be completely certain, our best guess is that service is complete and the 310 who have been served will form the basis for the test case.

However, there was a pattern in which the Court order notices were distributed

since no elected TA officer or building representative was served with a Notice and Petition. Perhaps that was for the purpose of dividing the TA internally, which didn't occur.

During this period the tenants demonstrated against the landlord outside the courts when the Article 78 was being heard, outside of where the eviction proceedings were held in response to the Notices and Petitions, and outside the development's renting office (to make prospective renters aware that there were problems in the development). Management's response was to send out more three-day notices in an effort to frighten tenants.

On July 2, 1979, a ruling was handed down by the state Supreme Court that Helmsley-Spear was not entitled to file for a hardship rent increase under *both* the new law and the old law and was therefore obliged to continue the case under the new law. The tenants were jubilant but felt sure that Helmsley would appeal the decision. Sure enough, at the end of July the tenants received a notice that management was seeking a further review of the ruling and would continue billing the tenants for the rent increase and retroactive payment. In late August another notice was received from management stating that the Appellate Division had ordered all hardship rent increase collections to be put into an escrow account until further notice. In the meantime, the landlord harassed tenants by the following actions:

> computing rents for new tenants based upon the "hardship" increase,
> continuing to bill all tenants for the "hardship" increase, both current and retroactive amounts,
> refusing to grant tenants the legal right to sublet their apartment unless the "hardship" arrears are paid in full,
> refusing to renew leases unless the tenant agrees to sign for a rental

> amount which includes the "hardship" increase and pays security deposit including "hardship,"
> and trying to deprive tenants of needed services unless the "hardship" is paid (*The Park West Tenant*, Aug. 1979, Vol. 2, No. 2).

An August 24, 1979 bulletin to the tenants explained that the TA was appealing the escrow ruling which they contended was an error since the Appellate ruling was being appealed, and that management was using the appeal as a rationale to continue to apply the hardship rent increase. The tenants received a letter, dated October 4, 1979, from management stating that the Appellate Division had sustained its order to set up the escrow account. Further, that the hardship, granted by the CAB in March, was the direct result of the 1974 oil embargo and energy crisis.

Management got an escrow order to apply to the 310 tenants who were in Civil Court to appeal their eviction orders. This was highly unusual for a case on appeal in the Appellate Division. Management sent a letter with the escrow order attached under the doors of all the tenants even though this order applied only to 310 of them.

On November 6, 1979, management sent another under-the-door notice to all tenants which began, "On October 31, 1979, Judge Sinclair [of Civil Court] entered judgment in the first hardship payment case for the sum of $21.12 together with costs. He further directed the issuance of a Warrant of Eviction..." This was yet another ploy to scare the tenants into paying up and it kept the TA busy putting out special bulletins to advise the tenants of their rights and urge them to resist.

In a November 30, 1979 PWVTA bulletin the tenants were informed as follows:

> We succeeded in the State Supreme Court in reversing the CAB decision granting landlord the "hardship" increase. He, in turn, appealed to the Appellate Division. A hearing was held on October 24th and we are presently awaiting a decision from that Court. A win or a loss on either side will result in the case going to the Court of Appeals in Albany...However, management, with the collaboration of Judge Sinclair in the Civil Court succeeded in obtaining the right to have the "hardship" monies placed into escrow. In keeping with our stated principles of fighting the escrow, which we feel is morally and ethically wrong and especially in this case where we have already won in the Supreme Court, we took all legal steps possible to obtain a stay. Unfortunately, the theory of escrow is deeply ingrained into our legal system and strongly supported by the judges, and we did not succeed in blocking it.

It went on to instruct the 310 tenants how to pay into escrow.

On December 11, 1979, the TA was able to proclaim victory for the second time. The Appellate Division unanimously upheld the decision of the state Supreme Court. The case had to go back to the CAB for a decision under the 1975 amended law which meant that Helmsley was not eligible for a hardship rent increase. The lawyer would move in Civil Court that the proceedings against the 310 tenants be dismissed (since there was no hardship increase to hold in escrow). After this decision, management sent a letter, dated 1/7/80 [*sic*], to the residents stating that their payments into escrow would be returned. Management ended their letter with this rallying cry:

> The results of this decision will not resolve the problem of adequate rent levels to compensate for the energy crisis of 1973-4. The continuation of the energy problem today can only cause additional complications which will require the continued cooperation of everyone.

Management did not voluntarily return the escrow payments and the TA's lawyer had to deal with management for an extended period to get the escrow payments returned (which he did on a *pro bono* basis).

In addition to a big victory party, the TA voiced its satisfaction with the outcome in their January 1980 newsletter as follows:

> We have reason for solid satisfaction and pride in our success. In spite of internal fights over strategy and some internal disruption, our Tenants Association leadership carried out a policy of aggressive opposition to the "hardship" grab through a combination of legal defense and withholding.

The Warranty of Habitability Case

In May 1976 there was a strike of maintenance workers, Local 32-B, in New York City. Park West Village tenants were left pretty much to fend for themselves. Management was supposed to provide garbage bags for the tenants to use. The tenants had to leave their garbage at curbside because the incinerator rooms were locked and could not be used. Management did not provide the proper bags or a sufficient number of bags so that garbage spilled out and attracted rats. The grounds and public spaces in the buildings were totally neglected.

Although the tenants were still pursuing their case against Helmsley's hardship rent increase, they were indignant about the shoddy way management was handling the strike. The TA retained a different lawyer to do a test case under the new Warranty of Habitability Law which stipulated that dwellings had to be properly maintained for human habitation. The workers were on strike for two weeks and the tenants decided to withhold 15 percent of that month's rent

for services they were deprived of. About 400 tenants participated. In 1977, the rent withholders were allowed 10 percent off that month's rent and the TA was awarded $25 by the Court for expenses. The landlord's attorney appealed to the State Supreme Court on the basis

> that the Warranty of Habitability Act does not apply to Rent Stabilized apartments like PWV's, on the grounds that the terms of their leases are not freely negotiated...The seriousness with which the real estate industry regards this case is marked by the fact that three landlords' groups, the Rent Stabilization Association, the Realty Advisory Board for Labor Relations, and the Real Estate Board of New York, have asked for and been granted permission to file *amicus* (friend-of-the-court) briefs supporting the position of PWV's landlord (*The Park West Tenant*, Jan. 1978, Vol. 3, No. 1).

The TA and its lawyer invited interested parties who shared their position to submit *amicus* briefs. The response was good. The Legal Aid Society Civil Appeals & Law Reform Unit and (jointly) Manhattan Legal Services Corp. and MFY Legal Services, Inc. were granted permission to file. The Ad Hoc Committee to Defend the Warranty of Habitability Act, composed of Metropolitan Council on Housing, West Side Tenants' Union, Tudor City Tenant Association, and others, also requested permission to file. The TA's lawyer was working on a defense to present in January 1978.

> The PWV withholding tenants' contention is that under Real Property Law 235B enacted August 1975 and also known as the Warranty of Habitability Act, the landlord must provide services to tenants *at all times*. This law, which was written and lobbied to passage by the New York State Tenant and Neighborhood Coalition, was the first codification of earlier court decisions regarding the landlord-tenant relationship in the State of New York (Ibid.).

When multiple dwellings in cities came into existence the landlord had only to provide a space that was "warranted to be habitable."

> Over the past decade, through prior court decision, the landlord-tenant lease agreement began to be interpreted as a contract regarding the space leased to the tenant and the terms governing the condition of that space. The body of law that applied to contracts began to be applied to leases or landlord-tenant agreements (Ibid.).

Having lost the case in three lower courts, management took it to the Court of Appeals in Albany. This was the first test of the Warranty of Habitability Law and oral arguments were to be heard on May 2, 1979 (*The Park West Tenant*, April 1979). The tenants' case was upheld again. (Ironically, in April 1979 there was another building maintenance workers' strike. This time, however, management was more responsive to the tenants' needs.)

Helmsley appealed to the U.S. Supreme Court which refused to consider the case. While it was not until the beginning of 1980 that the tenants who had withheld the 10 percent finally had their rents adjusted, the main victory was that this was the first test case brought under the Warranty of Habitability Law. It clearly established a tenant's right to a habitable dwelling.

Conclusion

The hardship increase sought by Harry Helmsley, in keeping with his philosophy that a landlord should seek at least a $15 per month rent increase to cover ever larger maintenance costs which he insisted were not covered by the rent increases granted with each lease renewal or new lease signed, was not granted.

The reaction of the tenants showed a remarkable solidarity against the landlord's attempt to hike rents. The TA was further strengthened by the

universality of the landlord's action. Despite the diversity of the tenant body and the divisiveness of the leadership, the TA's fight demonstrated that such an organization can be successful. The tenants were also assisted by landlord's lawyers who apparently were not so experienced in dealing with tenant grievances and tended sometimes to be sloppy in how they filed their papers.

The Warranty of Habitability case was brought about by landlord's miserly management methods and the tenants' awareness that they had an organization which could effectively respond to this deliberate neglect. After all, the landlord didn't pay the men while they were on strike which meant he got a windfall.

The TA membership never gave up their optimistic assessment of a positive outcome as stipulated by McAdam's in his political process model outlined in Chapter I (see P. 11). The political atmosphere surrounding this case was fairly neutral. The landlord organizations opposed the PWVTA while tenant supporting organizations around the city actively favored the PWVTA. The second factor in McAdam's factors that shape the way in social actions are generated (see p. 12, Chapter I) was satisfied since the TA displayed good organization with adequate resources, and the membership participated in and supported the action.

The action began as noninstitutionalized by 400 members voluntarily withholding 15 percent of one month's rent. Then management introduced the institution of Landlord-Tenants Court and the fight was on.

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CHAPTER III

CONDOMINIUM CONVERSION BEGINS AT PARK WEST VILLAGE

Introduction

Rumors began flying in 1982 of an impending change at Park West Village. The development's owner, Harry Helmsley, played a considerable role in the "condomania" of the seventies and eighties. The Tenants' Association's activities in 1982 and 1983 are described briefly for the purpose of demonstrating how this grassroots organization went about making decisions and how effective these decisions were. The anti-conversion fight heated up by the end of 1983, at which point Harry Helmsley's background and his history on conversion are recounted because they put into perspective what the TA was up against.

Tenants' Association Activity in 1982 and 1983

Early in 1982 members of the TA's Executive Board discussed rumors about Park West Village being converted to cooperative apartments. Cooperative and condominium conversion had become popular because many people who were shut out of the high-priced private home market could often afford to buy a co-op or condo apartment. Because these two categories were doing so well in the real estate market, prospective buyers regarded them as good long-term investments.

The President of the TA (newly elected in March 1982) introduced the subject of conversion at her first Board meeting as something to be explored. She explained that if rent stabilization was not renewed in the near future, rents would skyrocket and tenants would be better off with the less expensive carrying

charges of cooperatives. It became apparent that this President was in favor of co-oping and a majority of the Board was not only opposed to it but wanted to actively resist it.

In June 1982, the TA Building Representatives in 372 Central Park West issued a "Co-op Alert" flyer. It addressed the rumors circulating about the impending conversion of 372 and 382 Central Park West to co-ops. Vacant apartments in those two buildings were being "warehoused," that is, they were not being rented because vacant apartments were easier to sell. The flyer stated: "In view of this situation, the PWVTA Executive Board at its April 29 meeting voted 15-6 for an anti-co-op position. This was confirmed by the membership at its May 7 meeting by a vote of 210-8." The flyer also stated: "In future literature we will give you further information about financial, legal, social and ethical aspects of co-oping and any other information which can help you make a sound decision on this crucial issue." The "social" in that statement referred to the consequences of removing affordable, rent-regulated apartments from the market when there was a critical shortage of such apartments.

Landlords who did not want rent regulation found conversion to condominiums a very profitable way out of rent regulation. A non-eviction plan required only 15 percent of inside buyers (renters who wanted to buy their apartments) and in the case of those tenants who didn't buy, their apartments were no longer rent-regulated after they vacated them.

At that time condominiums were relatively new on the housing market, so

everyone thought in terms of cooperatives which had been around for a long time. The difference between them is that in a cooperative a resident owns shares in the building and pays a share of the building mortgage. In a condominium the resident owns his or her apartment and applies for an individual mortgage. A condo owner is billed directly for property tax and both condo and co-op buyers must pay a charge each month to defray the cost of maintaining the common areas of the property.

In a February 1983 TA newsletter, a long article written by the pro-co-op President on the history of rent control in New York City since World War II, ended on the very anxious note that rent regulations might not be renewed. In retrospect, I strongly suspect that this President wanted to be president because of the conversion rumors. She mentioned in a private conversation what a disaster it would be if so-and-so became president and thus would be negotiating with management on conversion. When it became apparent that the TA was not going to negotiate with management but would actively oppose the conversion, she didn't run for reelection, but instead joined a group (Tenants Open-Minded About Conversion, or TOMAC) that wanted to explore the possibilities of conversion. TOMAC did negotiate with the sponsor and the ex-president became a buyer.

What often happens in a conversion situation is that the tenants form a committee to negotiate with the sponsor (usually the owner) of the conversion on sale prices, building conditions, and the reserve fund set up by the sponsor. The tenants raise money among themselves and hire a lawyer to negotiate with the

sponsor's lawyer. They also hire an engineer to inspect the building for needed repairs and equipment replacement. This information is important when determining the amount of the reserve fund. After agreement is reached on the Black Book (sponsor's offer to prospective buyers) and the amendments to the Black Book have been filed with the Attorney General's office, the tenant organization is dissolved.

The PWVTA's Board members had no intention of negotiating with the sponsor. Their position was that since Park West Village was a Title I project built under the Urban Renewal program of the federal Housing Law, it could not be converted until forty years after completion of the entire project to any use other than rental units for middle income tenants. The Attorney General supported this position with the added stipulation that the only way the development could be converted was with the approval of the City Planning Commission and the Board of Estimate.

The PWVTA held its annual election of officers in March rather than January to avoid poor attendance due to bad weather. At the first Executive Board meeting after the election of new officers in 1983, the main discussion was about the many signs of an impending conversion of 372 and 382 Central Park West. They were the newest of the seven buildings and had the most desirable locations between Central Park West and Columbus Avenue, facing 97th Street. (There was a subway entrance on their corner of 97th and Central Park West and the crosstown bus exited Central Park on 97th Street and stopped in front of 372

Central Park West.) The management office in 382 CPW was moved to one of the Columbus Avenue buildings (the oldest buildings in the development and slated for conversion last).

At the June Executive Board meeting the Legal Committee Chair presented excerpts from a letter received from the Attorney General's office stating again that the conversion had to be approved by the City Planning Commission and the Board of Estimate. Meanwhile, the Attorney General's office was doing research on the case. It seemed that HUD (Housing and Urban Development, Washington, D.C.) was concerned only about the mortgage it had underwritten and not about the use of the project.) Four deeds had been found and it was possible that restrictions in some of them could be used to prevent the conversion. This gave the Board hope that conversion could be avoided.

On June 16, 1983 a membership meeting was held for the presentation of the Board's anti-conversion resolution. The guest speaker was the attorney the TA had retained to fight conversion. According to *The Park West Tenant* of July/August 1983, this meeting was attended by 500 people (considered to be a good turnout -- at that time the membership was 1,300 apartments).

The lawyer made the following points about conversion. The combination of high-priced fuel oil and lack of new construction of rental units placed a premium on affordable apartments. Conversion provided greater profits to the owner than renting. The continuation of the rent stabilization law and the fact that the law did not apply after a building had been converted and rent-stabilized

tenants had moved out was a plus. The 1977 legislation which had placed restrictions on conversion had expired. He concluded that Helmsley's conversion of Parkchester and his attempts to convert Windsor Park, Fresh Meadows, and Park West Village were all part of the normal stream of removing rental housing from rent regulation.

There was a second Board meeting in June at which a member gave information about an organization that had sprung up recently called Tenants Open-Minded about Conversion (TOMAC). TOMAC claimed to have 161 members from both buildings (together the buildings had approximately 824 apartments including the warehoused units).

This Board meeting was mainly concerned with the lawyer's speech at the membership meeting. After much discussion about their lawyer and his unsettling views on conversion, the Board passed a motion that they meet with him as soon as possible.

A special Executive Board meeting was held on July 14, 1983. The Board was informed that Harry Helmsley was going to file an Article 78 to avoid dealing with the Attorney General's office on whether or not Helmsley had the right to convert Park West Village to condominiums. (An Article 78 is filed when a judicial review of a decision made by a governmental official or agency is desired.) The TA's lawyer speculated that Helmsley may have done this because he thought he would have a better chance before the Board of Estimate if he had a Court decision to back up his contention that an amendment had been made in

the 1960s that allowed the project to be converted despite its Title I status. Helmsley's lawyer argued the following:

> ...the original redevelopment plan had been revised on January 13, 1961 with the approval of the city...[T]he amended [plan] "permitted residential uses of the areas 'multi-family residential' and goes so far as to describe the occupants of the building as 'purchasers or lessees'. The word 'rental' is never used" (Pehme).

The TA's lawyer didn't want to advise the Board until he had more time to think about the problems involved. He added that it was obvious that conversion was a way for landlords to circumvent rent stabilization regulations. He suggested that the TA might want to prepare the tenants for a conversion if Helmsley won his case. The lawyer was working on another case where Helmsley had sent a Red Herring (announcement of intention to convert) to an 1,800-unit Title I project and the lawyer expected to gain valuable experience negotiating for the tenants and buyers in that case which would be useful to PWVTA. He said he would have a recommendation before the next Board meeting. One of the things to be decided was whether the TA wanted to join the Attorney General in defending against Helmsley's legal action.

An Executive Board meeting was held on July 20. The lawyer still had not advised the tenants on what to do about the Helmsley case against the Attorney General and the City of New York. Instead, the discussion focused on a rally to be held the following Sunday at which politicians and neighborhood representatives would be speaking in support of the TA's resistance to the landlord's conversion efforts.

At a July 27 Board meeting there was a discussion on a petition that the TA was circulating among tenants to enlist their support to oppose conversion. The Board was aiming for 1,500 signatures. The petition stated:

> We, the undersigned, support action to defeat conversion: because many of the tenants cannot afford conversion; because Park West Village was built with millions in government subsidies for the purpose of providing rental units for people of moderate income; because the landlord is trying to make a huge speculative profit at the expense of the tenants and the taxpayers; because conversion would be a violation of the covenant between the City and the developer to build and maintain Park West Village as moderate income housing; because the conversion would undermine rent stabilized housing for present and future tenants and for the city at large.

On August 5, 1983 the case of the sponsor versus the Attorney General went before the New York State Supreme Court. The Attorney General and the sponsor were told when to submit their arguments to the Court but the TA's attorney was denied permission to intervene in the case. He could file an *amicus* brief.

A few days later on August 9 there was a meeting of the TA leadership with the lawyer about his presentation in Court. Reports of his presentation of the request, later confirmed by himself, were that he took the position that some tenants were opposed to conversion and some were in favor of conversion. He said that he represented the Tenants' Association, which was opposed to conversion, although some of its members favored conversion.

The Board members explained to the attorney that the TA was opposed to conversion. He thought that was an "extremely short-sighted view." As the TA's

attorney he was looking into the future, if and when the TA might lose the case and would have to face conversion. He was attempting to set things up so that the tenants could get the best possible deal in a condo conversion. (He was undoubtedly thinking of representing the tenants and buyers in negotiations with the sponsor during the conversion.) The leadership explained that they were not interested in "down the road." They wanted to do whatever was necessary to block conversion and they wanted the lawyer to follow the Board's instructions.

A special Executive Board meeting was held on August 12, 1983 because the leadership wanted to fire the lawyer. The Board decided that the lawyer should be instructed to proceed on another less important matter he was working on for the TA. The President was to ask the Legal Committee Chair to resign because he hadn't been attending Committee or Board meetings for some time. (He later became a condo owner.)

There was another special Board meeting on August 17. (The Executive Board usually did not meet in July and August except in case of emergency.) This was a highly charged meeting because the Board members could not agree on firing the lawyer and there was a lot of personal antagonism between some of the Board members.

The Secretary of the TA was a free-lance fiction writer who insisted on writing up the minutes of the Board meetings verbatim from his tapes. A couple of months earlier there had been a heated discussion because he kept submitting bills for tape cassettes (they were a bit more expensive then). It developed that

he wanted to keep an archive of taped Executive Board meetings. Most of the Board members were not in favor of keeping such an archive and he was instructed to reuse the tapes. (Apparently he couldn't help himself because some years later when he was housecleaning he turned over a carton of tapes to me, as the unofficial archivist of the TA.) As a result of the Secretary's verbatim accounts, the minutes generally ran to at least eight pages, single-spaced, with minimal margins. They were not organized and required infinite patience to read.

Despite the prevailing rancor and confusion, Board members decided to have the lawyer go back to court, present the TA's viewpoint on conversion in an *amicus* brief, and try to get a role for the TA to play in the case.

The next Executive Board meeting was held on September 21, 1983 and was devoted mainly to infighting among the Board members. It seemed that some people had sought to have the Secretary impeached and the case had been hanging fire because the Board didn't know how proceed. Wanting to clear his name, the Secretary had hired a lawyer to defend him which further complicated the situation. It must be added that the Secretary, himself, was prone to raising issues in a contentious manner.

At the October 5 Board meeting, one member pointed out that management had been pushing up the minimum salary requirement of prospective renters until it was $50,000 per year. The significance of this was that management wanted to rent exclusively to people whose income made it more likely that they would become condo buyers.

The TA was also trying to gain support from other TAs in the city, particularly ones built under Title I programs since PWVTA was the test case for Title I developments. The TA's lawyer did submit an *amicus* brief. The Board was satisfied with it although some members felt that the lawyer might have been more forceful in his arguments.

Two weeks later on October 19, the Executive Board met again. This time there were some leadership changes. The President had resigned a couple of months before and the Vice President was Acting President until there could be a membership meeting to elect a new President. The Board meeting got bogged down in discussing the details of the Secretary's impeachment trial.

The October TA newsletter was devoted mainly to a report by the Anti-Conversion Committee. It said that the Board of Estimate, acting on a resolution made by Manhattan Borough President Andrew Stein, ruled that all Title I properties had to be approved by the Board before they could be converted.

The Executive Board meeting of November 30, 1983 was presided over by the newly-elected President. He was an older man who was a very respected member of the TA. He had been a skilled organizer in the maritime union many years before and he was mainly concerned with getting the TA back on track.

The President mentioned that Tenants Open-Mined About Conversion (TOMAC) would be meeting with their lawyer the following night about how they could best accomplish conversion. The President was also concerned about the extensive warehousing of apartments in the two buildings to be converted.

He was successful in getting responsible people to do TA chores,such as putting out the monthly newsletter. The Treasurer reported a balance of $25,657 which was a new high and very important because of the legal expenses that would be incurred. The Membership Secretary reported that PWVTA membership was 56 percent of the complex.

The Secretary's impeachment case had been put under Unfinished Business, making it possible to take care of more pressing TA issues. By the time that part of the agenda was reached, it was past time to vacate the meeting room. The President wanted to have a special meeting on that one item, which brought on a heated discussion.

In the meantime the previous President's formal resignation had been received. It was dated November 16, 1983 and addressed to PWVTA members. Following are excerpts from it:

> From the date I took office certain members of the Executive Board started to display a degree of antagonism toward my constructive operation of the board. Our executive board meetings degenerated into petty squabbles as to procedure and we were unable to conduct the pertinent business on the agendas...[I]t is imperative that the general membership be aware of the fact that there are certain members of the executive board of the association who feel that the association should be conducted by an elitist group and that the general membership should not know of the infighting and desire of this particular group to control all the affairs of the association...

This showed the antagonism between the president who, some said, tended to be a bit pompous and bureaucratic, and some discordant Board members.

Since Helmsley made his conversion move, Board meetings were very well attended and there was no difficulty in getting a quorum. At past Board meetings

this had sometimes been a problem. The Board consisted of five officers, five standing committee chairs, and three building representatives or their alternates from each building. This meant thirty-one Board members. The quorum was 50 percent or fourteen members because not all buildings had three representatives or alternates. The total attendance at Board meetings had risen to about twenty-four. To this day, Executive Board meetings are attended by at least twenty people. Conversion and the gradual erosion of rent regulations have undoubtedly contributed to this since people fear that their homes will become unaffordable.

The impeachment proceeding against the Secretary was initiated by five Board members in a letter to the Secretary dated August 17, 1983, with copies sent to the Executive Board members. It listed five points: unauthorized and unethical use of PWVTA stationery, unauthorized meeting with a public official as Secretary of PWVTA, unauthorized oral and written communication with management, persistent personal attacks on the President, and illegal use of TA funds.

The TA's Constitution had an article on impeachment and removal from office which stated, "The Executive Board may by majority vote bring impeachment charges against any Executive Board member deemed to have committed an illegal or grossly unethical act connected with his/her PWVTA position." A three-fourths vote was required to uphold the charges. The By-Laws stipulated that this could be done only for specified cause(s), that the accused should be notified in writing at least two weeks before the Executive Board meeting, that the

accused was entitled to a hearing and to be represented by a person of his/her choosing.

In the Secretary's case, he answered the charges in writing to the Board members. He went into great detail on each item. His intention was to refute the charges, but his tone and choice of language portrayed him as a contentious person who was out to get the person he disapproved of on any trivial point of procedure he could find. It appeared that the business had gotten out of hand and was proving to be an embarrassment to the Board.

A special Board meeting was held on December 7, 1983 and the President announced that the only item on the agenda was "the procedural considerations regarding the charges against [the Secretary] by the Executive Board." A good deal of confusion and argument followed because one Board member, a loyal supporter of the Secretary, wanted his tabled motion from the previous meeting to be considered first. That motion called for dismissing all charges against the Secretary. The President wanted to follow a different procedure but the tabled motion was finally called. It passed 14 to 11 with 1 abstention. That was a close vote. The meeting adjourned shortly afterward.

The last meeting of 1983, held on December 28, went smoothly with the President bringing up matters pertaining to the business of conversion in an orderly manner and calling for a membership meeting on January 17, 1984 so that they could discuss issues of conversion with the membership.

Harry Helmsley and Condominium Conversion

How are lucrative real estate deals really made? Fred F. French was the first "syndicator" in real estate in the 1920s. (French built Tudor City and the French Building on Fifth Avenue, north of 42nd Street, among other projects.) In 1943 an insurance company came up with the "lease-back." It devised a scheme in which the owners of a department store in Philadelphia sold it to a pool of investors, a syndicate, and then the syndicate leased it back immediately to the previous owners who continued to run the store. This accomplished two things:

> It handed the store owners a new supply of capital. And in the eyes of the IRS it made the pool of investors exempt from high corporate taxes because they were not involved in running the store...such investment pools came to be called limited partnerships, because the shareholders had very limited roles in the businesses they bought. They couldn't vote. They couldn't make decisions (Moss, 50).

Harry Helmsley began working in real estate as a rent collector for some tenements in Manhattan when he was 16 years old. Years later in 1949 he met Arthur L. Wien, the head of a very successful sixty-lawyer law firm whose main activity was brokering real estate deals. The occasion was the sale of a small building that Helmsley was brokering and Wien was buying for some friends. Wien was very good at socializing and making contacts but he was not an expert on whether a building was a good or bad deal, nor was he interested in doing that type of research. Helmsley was very good at sizing up a building; whether the building was a good buy, and the minimum personnel and expenditure that would be needed to manage and maintain it. (The writer has experienced that talent while working in a couple of Helmsley-Spear managed office buildings

many years ago. The offices always felt dingy, never quite clean, and they were always chilly in winter.)

Helmsley and Wien made a good team:

> Helmsley would find the property and negotiate with the seller. Wien would write up the legal paperwork and then round up the investors. Then they'd turn the building over to Helmsley to manage, and they'd sit back and take in the rents. Most of those deals were successful, and continue to make money for Helmsley and Wien (Ibid., 55).

Years later Helmsley was purchasing for himself.

> For each of his purchases he would set up dummy corporations to hold the property. That was a common industry practice. He simply did it more than anyone else...Eventually Harry started incorporating in the state of Delaware along with everyone else, since Delaware had the fewest regulations, and it's believed that Helmsley eventually came to have as many as 400 separate corporations...(Ibid., 87).

When Helmsley bought Brown, Harris, Stevens in 1965, he

> moved into the residential market, something he had paid little attention to since his early days as a rent collector for Dwight, Voorhis and Perry. Not one to do things on a small scale since his association with Lawrence Wien, he marched with long and rapid strides toward the profits and perils of landlordism (Hammer, 72).

In the 1960s Helmsley bought an apartment complex in Queens, and a year later, he and Wien purchased the 691-unit Georgetown Apartments in Washington, D.C.. Then Helmsley bought the 27-building Childs Garden Apartments and the 20-building Windsor Park complex, both in Queens, and Horizon House, overlooking the Hudson River in Fort Lee, New Jersey. He also bought the luxury Sierra Towers on the border between Beverly Hills and West Hollywood, with its panoramic view of the city out toward the Pacific, an 857-unit garden apartment

development in Houston, Texas, and the 3,500-apartment Parkmerced development in San Francisco (Ibid., 72).

Helmsley bought these residential properties for the purpose of converting them to condominiums because large profits could be realized from such deals, far larger than being a residential landlord. Parkchester, located in the Bronx, was one of his first big ventures. Parkchester had been constructed by the Metropolitan Life insurance company after World War II for its employees and their relatives. (Consequently, the project was overwhelmingly white.)

> It was, when built and for more than thirty years, the largest rental complex in the United States. Its population of more than 40,000 lived in about 12,200 apartments of two to seven rooms in fifty-eight buildings from six to thirteen stories high (Ibid., 73).

Parkchester was a self-contained community with stores, parks, a large movie house, and a post office located inside the complex.

"The project was divided into four quadrants and Helmsley took 4,000 units in the North Quadrant to convert to condos" (Moss, 133). Met Life had been a good landlord and the rents were reasonable, but Helmsley managed his residential buildings like his office buildings, as cheaply as possible for the greatest profit. This meant that he wasn't a very good residential landlord and the residents of Parkchester were horrified at the prospect of having to buy their apartments. (Metropolitan wanted to get out of the residential business because it was beginning to go downhill.) Nothing deterred Helmsley from his main objective, conversion to condominiums. "He and his fellow investors stood to get $55.9 million from converting the North Quadrant alone, indicating that the entire

Parkchester complex for which they paid $90 million, was worth $170 million as condos" (Ibid., 134). Helmsley was finally forced to use a non-eviction plan in Parkchester, which meant that there would be more rent-regulated tenants left in the project than under an eviction plan.

In both Parkchester and Parkmerced in San Francisco, Helmsley was warehousing apartments as fast as he could (empty apartments were easier to sell). In both cities he had to modify his tactics somewhat because he was taking too much affordable housing off a tight market. In both projects there were serious problems with insufficient maintenance and the threat of rent hikes (Ibid., 133).

When the Parkmerced TA in San Francisco found out that Helmsley was doing the same thing with Parkchester in the Bronx, they joined with the Parkchester TA and also the TA of Tudor City in Manhattan which had been outraged because Helmsley wanted to build two high-rise buildings on their prized parks. "They developed an organized, energized, coast-to-coast anti-Helmsley coalition of the sort that no single landlord in the country had ever encountered. They even called it 'Hands Across America'..." (Ibid., 130).

The Parkmerced tenants in San Francisco tried to get legislation passed that would curb conversion, but Governor Reagan vetoed it (Ibid., 137).

> It took some months, but win they did. The state finally allowed municipalities to enact condo regulations, and San Francisco did just that in 1975, dubbing theirs informally the "Helmsley law" because it effectively blocked his plans by limiting the number of apartments that could be converted each year (Ibid., 138-139).

Helmsley transferred his office building managing skills to his apartment holdings.

> Harry never seemed to differentiate between buying someone's office and buying their home. As long as it had tenants, a building was a building, he told real estate reporters who got curious about all his residential buying in the late 1960s and 1970s. "Each deal stands on its own. If it's a satisfactory deal, it doesn't make any difference what kind of a property it is -- residential, an office building, or a shopping center." And there were some very good deals in housing because some key players wanted out (Ibid, 131-132).

Helmsley had problems with residential tenants that often resulted in rent strikes. He also had problems because of his refusal to rent to Blacks and Hispanics, and his discrimination against the elderly. He reduced essential services, and sought to destroy recreational areas.

> It was all too much. By 1984 his taste for residential rental properties had soured. Rental housing, Helmsley declared, "is an impossible business to be in." And so he was going to sell off his portfolio of residential buildings, especially those that were rent-controlled and rent-stabilized, if he could. And the first place he was going to sell was the one that had given him the most trouble and most negative headlines: Tudor City. "We're fed up with the punishment the tenants are giving us and the city, too." said Helmsley aide and sometime partner, Alvin Schwartz (Hammer, 111-112).

Helmsley's argument about the advantages of conversion were similar to those of other converters, politicians and judges. He said, "It will help stabilize neighborhoods. The exodus from the city will be stanched because people will have more interest in their neighborhoods. This is the only way New York is going to be saved" (Moss, 135). Even David Clurman, an assistant Attorney General at that time said:

> There is no question that properties are better maintained after conversion. In a rental situation, people just don't care as much. When they own their own homes, they take an interest in the neighborhood. This is a means of conserving New York's housing stock (Ibid., 135).

These are typical arguments put forth by developers and politicians.The answer is that landlords, not tenants, are responsible for the maintenance of rental buildings and landlords want to spend as little as possible on upkeep and thus make the greatest profit possible. Converting New York's housing stock to condos and co-ops is certainly not conserving housing for those who need affordable rental units.

In a 1973 *New York Times* profile, "Helmsley blurted out, 'if you're a real good player, you get rich,' and concerning his profit-taking in condo conversion, 'I buy wholesale and sell retail. I'm entitled, like everyone else'" (Ibid., 139).

> On February 1, 1975, he [Helmsley] stopped paying taxes on the 190 residential buildings in New York City that he owned or managed. With incredible gall, Helmsley announced that he simply didn't have the money in his pocket to pay the $1 million quarterly bill because the price of oil had gone up...That same spring of 1975, Helmsley completely reversed his tax stand against New York by joining Lewis Rudin, a second-generation developer and president of the Association for a Better New York, prepaying his taxes to help the suddenly very sick city (Ibid., 141-142)

In an interview Helmsley gave to a *Daily News* columnist on November 15, 1979, the columnist reported that:

> Harry Helmsley the country's largest individual landlord, tells me that if you're part of the dominant force in America -- the middle-income family with a take-home pay of $20,000 to $40,000 a year -- you're extinct as far as the housing industry is concerned. The American dream of living in a better place, especially a new apartment, no longer applies to you...The 70-year-old Helmsley, who

> personally controls (through his firm Helmsley-Spear) some $3 billion worth of commercial and residential real estate, tells me the day is past when middle-income America can afford to rent a new apartment, because there 's no one around who can afford to build it. "And that includes me." said Helmsley...

He was then asked, what are those people to do?

> His harsh reply: "There's always trailers down south and used houses, though not in the best areas...and this is what a lot of people are going to have to get used to." "Unless there's subsidized government programs or greater depreciation benefits for the builders -- middle-income housing (notably new apartments) just can't survive," Helmsley insisted...Those skyrocketing real estate prices, as Helmsley sees them, will in themselves lead to even greater problems. For one thing, he says they'll produce an awful lot of agitation for increased rent controls on a national level. And this, in turn, he tells me, will prompt landlords not only to try to convert existing apartment houses into co-ops and condominiums, but to direct their building efforts in the same direction (Ibid.).

These remarks summed up Helmsley's philosophy on housing for middle-income renters. He believed that every residential landlord was entitled to an immediate 15 percent rent increase, which he assumed would go toward defraying what he considered prohibitive maintenance costs.

Gradually Helmsley realized that he wasn't going to get the rent increases on rental housing he thought he deserved and that rent regulation wasn't going to end as soon as he wanted. Conversion to condominiums was, therefore, a profitable way for him to leave residential real estate. "Helmsley's transient attitude toward housing perhaps explains why he never seemed to grasp that buildings containing people's homes were different from buildings that held their offices" (Hammer, 143).

Conclusion

Since the beginning of the TA there had been enormous infighting between people who, in the spirit of the sixties, wanted the TA to pursue an agenda of demonstrations and protests. Opposed to them was the majority of the Board who thought themselves more practical and realistic. The latter wanted to pursue their problems with the landlord through public institutions or the courts. Little by little the "activists" dropped out (to pursue their interests elsewhere in some cases).

The second President elected in 1983 brought a new spirit of cooperation to the Executive Board. There was still a very vocal Board member who thought a good fight was great fun and showed that there were signs of life in the Board. But most members wanted to deal with Board business in a non-confrontational manner.

The PWVTA had decided to resist conversion to condominiums and because they had won their Hardship Rent Increase and Warranty of Habitability cases against the landlord, they were very hopeful that they would be successful again. They didn't take seriously the honest misgivings of their first lawyer. It was stated in Chapter I under Theoretical Significance that three factors shape the generation of a social actions: (1) a favorable political atmosphere. This they did not have because conversion to condo or co-op was very popular at the time because buying a home was too expensive but buying a piece of housing was affordable and still represented an investment that the buyer hoped would

become more valuable over time. Landlords thought the profits from conversion were very desirable. The tenants had adequate resources and believed their action was correct so the other two factors were satisfied.

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CHAPTER IV

CONDO CONVERSION CONCLUDES AT PARK WEST VILLAGE

Introduction

The TA was now committed to preventing Helmsley from condo-ing Park West Village. They had engaged a tenant-labor lawyer who was convinced that they had a case and optimistic about its outcome. The TA could not oppose Helmsley directly because he had sued the Attorney General and the city for insisting that he had to have the conversion of Park West Village approved by the Board of Estimate and the City Planning Board. The TA filed an *amicus* brief and tried to get the support of other tenant organizations in the city. The TA saw their position as the model for other Title I projects facing conversion and hoped to set a precedent as they had with the Warranty of Habitability Law.

Helmsley also engaged in a systematic harassment campaign. He hired a detective agency to check on tenants' primary residences. For example, they called a tenant's mother who lived elsewhere and asked if she would receive a package for her son. She said, of course. They then claimed that that was the son's primary address rather than Park West Village where he lived. The purpose was to evict the tenant. They also made telephone calls to tenants at work claiming to be Con Edison and informing them that since they were moving, their power had been cut off. It was ascertained that Con Edison made no such calls nor was the power shut off.

The following is a meeting-by-meeting account of what happened in 1984

and 1985.

Tenants' Association Activity in 1984 and 1985

At the Executive Board Meeting of January 25, 1984, the President announced that on April 1, 1984 the Conciliation and Appeals Board (CAB) would go out of business and be replaced by a state agency.

The new state agency, the Division of Housing and Community Renewal, has its commissioner appointed by the governor. It is functioning today, as it did then, in a very inefficient and halting manner so far as tenants are concerned. It is funded by the state and its funding is cut every few years while the complaints it must process increase. Tenant organizations are convinced that its basic philosophy is pro-landlord and anti-tenant.

Also, at the TA's January Board meeting, the President wanted to hold the annual election meeting in March one week later than stipulated by the constitution. The Board member who enjoyed a good fight objected strenuously to this and his partner, the Secretary, added his objections. Their argument was that the constitution stipulated that postponement could by done only in the case of a crisis and that this postponement would be the beginning of undermining the constitution. The President answered that there was a crisis and that was why he wanted a week's postponement. The two objectors continued to argue against this until someone made a motion that the meeting be postponed. The vote was 13 to 4 in favor of postponement, hardly a contest. This is an example of the petty harassment these two engaged in.

When Helmsley began converting the first two buildings at Park West Village, he applied to the Conciliation and Appeals Board (CAB) for Major Capital Improvement (MCI) rent increases on the other five buildings. An MCI increase is granted when the landlord does a substantial repair that affects the entire building. MCI increases are permanent increases to the base rent in addition to the regular rent increases landlords receive with each lease renewal. Helmsley had been granted the increases by the CAB for new roofs on the three Columbus Avenue buildings and for "burners" (presumably oil burners) for the two unconverted Central Park West buildings. The TA brought a suit against the CAB objecting to its decision. The suit claimed that these were needed repairs on the five buildings and shouldn't be classified as major capital improvements (*The Park West Tenant*, February 1984, Vol. 9, No. 1).

When MCI rent increases were first enacted, they were challenged by a group of tenants. The Judge decided the test case in favor of the landlord, noting that such increases gave landlords an incentive to take care of their property. The Park West Village TA fared no better with their suit and Helmsley won.

The 1984 annual membership meeting for the election of officers was held in March. As mentioned before, the TA found that the weather in January and February was too harsh to expect a good membership turnout. The President was the same man who had been elected in 1983 after the previous President resigned in midterm. The TA's constitution stipulated that an office could be held for only two consecutive terms (two years), by the same person. This was to encourage the

development of new leadership and prevent old leadership from becoming entrenched. Its effect was to make the TA somewhat less organized. It was always difficult to find people willing to serve as President or Treasurer -- the positions of greatest responsibility. When competent people filled these offices, it would have given the organization more continuity to have them serve for perhaps three or four consecutive years. Every two years the TA had to play musical chairs with the few people who were willing to serve as officers or committee chairs.

The first Executive Board meeting with the newly-elected officers was held in April 1984. The new lawyer the TA had engaged for the Title I case had no reservations about the merits of the case. The TA's case against condominium conversion was based on the stipulation in Title I that the use of the buildings could not be changed until 40 years after completion of the development. The newly hired lawyer felt that Judge Martin Evans' decision against the Attorney General and for Helmsley was political and that the law was overwhelmingly in the TA's favor. If the City didn't appeal the Judge's decision, the TA as an *amicus* could not file such an appeal. The lawyer was investigating "any other angles" that could be used to ensure an appeal.

At the May 1984 Executive Board meeting, an assessment of the Anti-Conversion Rally held earlier that month was made. The President thought it was great and praised the people responsible for its planning and execution. The Treasurer had received 40 memberships after the rally. Many Board members

expressed dissatisfaction with the low tenant turnout. The major TV networks picked it up for a minute or two in their neighborhood news sections.

A Board member wanted to know if she could arrange a social activity in her building. It was agreed that the buildings could have their own events if they got Board approval. This was another example of the Board not wanting the buildings to become too independent.

Over the years since then, some buildings have put out their own building flyers or newsletters with information pertaining to their building, especially the four converted buildings since each has its own Board of Managers. The more active Building Representatives in two of these buildings felt that these communications established the presence of the TA in the building and was good for tenant morale.

At its June meeting, the Executive Board had a discussion on the "Status of the Association." This included Membership Drive, Finances, Newsletter Committee, Grievance Committee, and Building Representatives. There was extensive discussion about why the TA had two big problems: lack of membership and lack of money. It was suggested that the TA didn't communicate often enough with the tenants; that tenants had to be approached personally and asked to join. The Board decided to step up the membership drive, improve communication with tenants, and make sure the communication was clear and simple.

The Membership Secretary reported that membership now stood at 44 percent. (The highest membership ever attained was 82 percent during the

hardship rent increase case in the 1970s. That was a case that affected every tenant in the development.)

After the Treasurer presented the financial report, the discussion centered on how to raise money to cover the TA's ongoing legal expenses, especially since it was impossible to know how great these expenses would be. Various fundraising suggestions were made. One building planned a bake sale and auction. It was suggested that the TA run a fundraising drive after Labor Day.

Building separatism came up again when one building wanted its own stationery. The Board objected because the outside world might get the impression that the building was a separate TA.

A special Executive Board meeting was held later in June. The first item taken up was what TA policy should be on how individual buildings interacted with outside groups. It was obvious that the leadership was concerned about the two buildings being converted and about a non-TA negotiating committee representing the tenant-buyers. This was the TA's first experience with conversion to condos. Again, the relationship of individual buildings to the Board came up and the President said that the Building Representatives had a responsibility to keep their buildings informed about Board decisions.

The second agenda item was the President's proposal that they have a conference that would allow the TA to deal in-depth with the problems it faced. A committee was appointed to plan the conference and report back to the Board in August. But there was so much going on at this time -- the conversion case and

the landlord's harassment campaign -- that the Executive Board did not take its July-August recess and it never got to hold the in-depth conference.

At the July 1984 Executive Board meeting an update on the TA's legal situation and finances were the only items on the agenda. Peter Marcuse, a Professor at Columbia University, was engaged as a Title I expert to work on the appeal of Judge Evans' decision. The lawyer wanted to use Professor Marcuse to buttress the argument that conversion to condominiums would be detrimental to the community. The Legal Committee Chair said that a conservative estimate of the cost of the case was $25,000, including Marcuse's fee.

The Executive Board meeting in September 1984 heard a report about the lawyer's oral argument presented to the Appellate Division of the Supreme Court. He did very well but the overall impression was that the TA would lose before this court and it would be up to the Attorney General and City Counsel to appeal again since the TA still had only *amicus* status. The Board approved a motion that the TA should seek stronger ties with other Helmsley Title I buildings. A committee was set up to do a brochure on the hazards of conversion in an effort to discourage tenants from buying, thus making it more difficult for Helmsley to get enough inside buyers for a conversion.

The Treasurer reported that the TA would have to raise $10,000 to cover legal fees. She suggested that the TA hold a membership meeting in October and invite the TA's attorney to speak. She also recommended that the TA raise its annual dues. One of the "action group" still on the Board said that the TA should

develop a grassroots organization, have long-range goals, and develop leadership. The President responded that the TA had to do its work with the people they had, who were the Building Representatives. He was not opposed to the suggestions but, practically, the TA did not have the personnel for such a program and it was already a grassroots organization.

It was decided to finish the agenda of this meeting on September 20 when the Treasurer reported that the TA had to raise $20,000 immediately to cover pending legal expenses. She suggested that the annual dues be increased from $10 to $15. Again, the "action" person said that their emphasis should be on organizing the buildings. In the end it was decided to raise the dues to $25. The Board voted that the buildings should start a fund drive to cover legal expenses immediately and that the conversion pamphlet should be ready for the drive.

The November 1984 Executive Board meeting was concerned mainly with finances. The TA had $2,034 in the bank and an outstanding legal bill of $7,032. There was a debate on whether to put the financial statement in the newsletter because the landlord would find out how badly off the TA was. It was decided to do so because it was more important for the tenants to know about the dire financial situation. During the hardship rent increase case in the 1970s, the TA had had no problem raising money to support their legal case. One of the arguments for pursuing the Title I case against condo conversion had been that the tenants would always give financial support to the TA's cause. They were taken aback when the tenants were not as generous on the Title I case.

A fundraising leaflet was going out to the tenants. The TA's various events raised some money. The Legal Committee wanted the Board to approve a total payment of $10,856 to the lawyer which it did. The Board kept approving the lawyer's bills even though there was no money to pay them and the TA's indebtedness grew.

The Executive Board's December 1984 meeting was again concerned with finances; what had been raised through fundraising and how much was owed the lawyer. This set off a long discussion about what was wrong with the TA. Some thought there were structural problems, that the TA had lost touch with the tenants, or that the tenants regarded the TA as an inaccessible hierarchy. They agreed to step up the collection of money for the Legal Fund.

In the previous week the TA had delivered 25 harassment cases to the Attorney General's office. His office was especially concerned about eviction threats to the tenants and promised to contact management to discuss instances of harassment. The Board agreed that those tenants threatened with eviction should get legal help from the Attorney General's office.

The Executive Board meeting of January 1985 was concerned mainly with management's harassment. The President announced that the TA had brought twelve primary residence cases (in which management claimed that since Park West Village was not the tenant's primary residence, the tenant would be evicted), plus one illegal tenant occupancy and two illegal pet cases to the attention of the Attorney General's office. The Attorney General had met with Helmsley's lawyers

on these cases and the lawyers agreed to postpone all their Court cases against tenants.

The Treasurer reported that the TA had paid the current lawyer a total of $33,440 up to that date. They would end up owing him over $45,000 more. Eventually the bill was paid in full.

At their February 1985 meeting, the Executive Board was reminded that the Emergency Tenant Protection Act would expire on May 15. Lobbying days in Albany were May 14 and 15, and tenants were urged to go. The two umbrella tenant organizations, Metropolitan Council of Housing and New York State Tenant and Neighborhood Coalition (NYSTNC), would cooperate in hiring buses and charged the tenant riders a modest fare for the round trip to Albany.

For the first time the Executive Board set up a Search Committee to find suitable candidates for the March 1985 election of officers. The Committee interviewed current officers about the skills and time needed for their duties. The Committee came up with candidates for President, Membership Secretary, and Secretary. They were missing a Vice President and a Treasurer.

That was the only year that a formal search was made. What usually happened was that an informal meeting was held by people who might be interested in being officers and a slate was set up. Or the "out" group was anxious to get in and they were less open in putting their slate together because they wanted to exclude certain people. The first few years of the TA saw opposing slates of candidates running, but after the hardship increase was defeated it

became increasingly difficult to find competent people who were willing to serve in these voluntary jobs that required time and effort.

The Executive Board meeting of April 1985 was the first meeting with the new officers including a new President. This President was very different from the previous one. This one claimed to have a community organizing background. (Perhaps that accounted for his eagerness to interact with any politicians he had access to as President of the TA.) He was also contentious and talked a lot when conducting meetings. (He was the Board member who liked a good fight.)

The standing committee chairs (Action, Legal, Grievance, Social Activities, and Publications) were appointed by the President and approved by the Board. The Legal Committee Chair reported that the Court Hearing on the Title I case was scheduled for May 2, 1985 in Albany. The Action Committee would make plans for the tenants to go to Albany. A tenant who was a lawyer volunteered to write the TA's *amicus* brief.

In the February/March 1985 TA newsletter, tenants were told that management was using a campaign of harassment against them because of their resistance to Helmsley's conversion plans. The following were listed as the various types of harassment employed by management: refusal to renew leases, not depositing rent checks or depositing them late, posting 3-day "notice to evict" on tenants' doors even though they knew that the tenant's rent was paid on time, claiming that a tenant's name was not on the lease, claiming that this was not the tenant's primary residence, alleging that the tenant had an illegal roommate (it

was not illegal to have a roommate), using a security guard to spy on tenants, and removing mailboxes for alleged repairs. The TA strongly suspected that the landlord was trying to empty apartments, and to divide and frighten the tenants so that they would not support the TA's opposition to conversion.

At the second Executive Board meeting in April it was decided to aim for a membership of 60 percent of the development. This lower figure (last year it had been 75 percent) could be attributed to the extensive warehousing of apartments in 372 and 382, and the tenants' general uncertainty about conversion. The Board decided that they had to keep track of how many apartments were warehoused since the maximum allowed was 10 percent.

A special Executive Board meeting was held in May 1985. The agenda was devoted to an Action Committee proposal for the TA to call a neighborhood mass meeting to discuss changes in the community. Among the people to be invited were store and restaurant proprietors, public housing TA representatives, community centers and community school boards. It was to be held in the latter part of June and the subject would be "Park West Village as the last buffer between gentrification of the community." It was thought that conversion to condominiums would affect the entire neighborhood including what type of business would be able to survive. It was hoped that the conference would bring the TA's conversion problem to the attention of legislators by showing them that the TA was able to mobilize community support. First, they had to prepare a list of contacts, then invite people to a planning meeting, and then hold the large

meeting with invited elected officials to discuss the subject.

This action was ironic in view of how Park West Village came into existence. The development's construction was the first sign of gentrification in a poor, working class neighborhood and it destroyed more apartments than it created. The Caro book on Robert Moses had been published in 1975 but apparently had not enjoyed a wide circulation in Park West Village.

At the regular May Executive Board meeting, the Action Committee Chair reported on the progress of the neighborhood conference. Memos had been sent to about 200 organizations. There were few responses. The people who did respond thought the conference was a good idea but they had other commitments.

The Legal Committee Chair reported that if the TA lost the Title I case, their lawyer was investigating how to take the case to a federal Court.

The Playground Committee reported that safety was their main concern. Management had been given reports of injuries sustained by small children. The Parks Department had inspected the playgrounds and found them substandard: rubber matting should have been placed under the playground equipment which management refused to do. (This was done after conversion.)

Confirmation of Conversion and TA Reaction

On June 4, 1985 the New York State Court of Appeals issued a unanimous decision affirming the lower court's opinion in favor of Helmsley. This meant he could proceed with the conversion of the first two buildings and would have no

difficulty in converting the remaining five.

A week later the Executive Board held a special meeting which was attended by the TA's attorney. The discussion was about the viability of further Court action by the TA alone, and the possibility of federal action or intervention. The Board decided that the TA should report to the membership on present developments, and in doing so should formulate the TA's position and program to unify and organize the tenants. The TA should explain why the PWVTA fight was at the center of the city-wide fight against landlord pressure and control; interpret the impending changes to clarify the total economic and sociological impact on the disastrous housing situation in New York City; and explore the possibility of getting a moratorium on conversion through the state legislature based on the interests of all seven buildings. The need to examine all the possibilities of developing a strategic coalition to include all Title I buildings and all New York City residents threatened by speculation and conversion was approved by the Board.

Further discussion established the following points: (1) not to back off from any possibility until the TA had investigated all the strategic alternatives. (2) the importance of making it clear that it was in the interest of all, excluding speculators, to stick together to maintain the conditions originally intended in the building of Park West Village. (The "speculators" were tenants who would buy their apartments at the insider price so they could "flip" them, that is, sell them for a profit.) (3) to call a general membership meeting to report on the attorney's

recommendations and summarize the Executive Board meeting and the Board's proposed program. (4) to feature the report in the next issue of the newsletter and have educational meetings in the buildings. (5) to reach various community leaders who were involved with broad coalitions which could organize the public to express its concern. (6) to set a date for a membership meeting immediately following the regular June meeting of the Executive Board.

A lengthy but unconvincing memo from the TA lawyer was presented to the Board on how to make a federal case against the landlord.

The purpose of a special Executive Board meeting held on June 19, 1985, was to plan the strategy for the June 26 membership meeting. The President read a position statement which recommended that organizational resources be used to defend the rights of rent-stabilized tenants only and that the PWVTA would not spend time and resources on conversion issues. The discussion was about the necessity of educating tenants about the hazards of buying a condo. This meant that the Board would in no way participate in negotiations with the sponsor.

TOMAC's Plans

A Board member had attended a TOMAC (Tenants Open-Minded about Conversion) meeting on June 24, 1985 and reported the following: TOMAC's overall costs were estimated at $50,000 to cover the lawyer's fee for reviewing the conversion plan and negotiating with management, the fee for an engineer to do a physical assessment of 372 and 382 Central Park West, and miscellaneous costs for newsletters and meetings. It was estimated that about 200 apartments in the

two buildings would join TOMAC for a contribution of $250 from each apartment (150 actually did).

The lawyer hired by TOMAC was experienced in negotiating conversions for either side. He believed that the Black Book would be coming out in a few weeks. He had given the Attorney General a letter detailing his objections to the Red Herring. (The Red Herring was a tentative first offer to be followed by the Black Book which was the definitive offer.) Once the Black Book was out, each tenant had the exclusive purchase right to his/her apartment.

Business aspects of the Plan would have to be negotiated with management. These included control of the Board, what part management would play, the condition of the building, and the reserve fund provided by the sponsor. To present a strong united front, prospective buyers should sign a "no-buy" pledge, which meant that they refused to buy until a satisfactory agreement was negotiated with the sponsor.

The engineer hired by TOMAC would investigate what was wrong with the buildings and how much money would be needed for repairs. This would determine the reserve fund that would be needed.

TA Activity 1985-1988: Further Reaction to Conversion

At the June membership meeting, the TA's lawyer declared that the TA had exhausted the state Courts, so the possibility of a federal case should be investigated and also HUD should be compelled to hold a public hearing. The Policy Statement was presented to the membership. After some discussion a

motion was passed that the PWVTA's priority for the immediate period was to convince the tenants who lived in 372 and 382 Central Park West of the negative effects of conversion. Another motion passed was that PWVTA would endeavor to assist Park West Village residents by providing information on the implications of the conversion proposals.

At the July 1985 meeting of the Executive Board, the members approved the drafting of a pamphlet, *Life After Conversion*, for the purpose of reassuring non-buying tenants that they would still be protected by rent-stabilization.

The President and another Board member reported on a discussion they had had with Eliot Sklar, a Professor in the School of Architecture at Columbia University, who recommended that the tenants buy the buildings from Helmsley. The two Board members figured about $100,000,000 would pay for the seven buildings. If half of the complex agreed, the down payment might be about $16,000 per apartment. The mortgage over 30 years would be at 8 percent. The pros and cons of this proposal were reviewed. The President cited the need for the buildings to be a non-profit or limited-profit operation. If the venture were to be undertaken, funds might be obtained at a low interest rate. Various opinions were expressed about the reaction of the membership. The President asked if the idea should be pursued further and the Board voted yes. Ironically, this would also remove 2,500 units from the affordable rental housing market. It was never seriously pursued or investigated further.

At the September 1985 Executive Board meeting a draft of the pamphlet,

Life After Conversion, was presented. The purpose of the pamphlet was to define tenants' rights before and after conversion.

The TA lawyer had sent a letter to the Attorney General questioning the breaking up of the complex, ownership of the common areas that were not broken up, and conflict of interest because the sponsor would also be managing the condo complex (Helmsley owned Brown, Harris, Stevens which would manage the condos).

The brochure, *Life After Conversion, Some Questions and Answers for Tenants*, was published in September 1985. One dollar per copy was charged to help defray the cost of printing. It was ready for the membership meeting on October 10, 1985, at which the Black Book and how to stop the harassment of tenants would be discussed.

The Black Book

The Black Book was issued October 29, 1985. It had been read by a Reading Committee of the Executive Board and an analysis was made based on the tenants' interests. It would be presented to the Executive Board with recommendations and amendments to be given to the Attorney General. This material would also be given to the TA lawyer for analysis. Black Book issues to be addressed were: reduced services, too few security personnel, inadequate insurance on Park West Village buildings, and a better definition of what a *bona fide* tenant was. The Legal Committee Chair stated that the cost of retaining a lawyer to examine the Black Book that their regular lawyer had recommended

would be $500. The Board authorized the Legal Committee to explore the harassment and Black Book issues with a possible Court case in mind.

The President reported that he had a list of 50 lease hold-ups (meaning that management hadn't issued lease renewals) and it might be necessary to take Court action.

The TA's Congressional representative had written a letter to Samuel Pierce, the Secretary of HUD, requesting a hearing on the conversion of 372 and 382 Central Park West to condos. Pierce refused to hold a hearing because the issues raised were out of HUD's hands. Hope was expressed that HUD would hold hearings on gentrification and the need for affordable housing. They did not.

The TA put out a flyer on November 5, 1985 entitled "Harassment, Problem with Your Lease Renewal? Let PWVTA know." It instructed tenants what to do after they signed the Intention to Renew and did not receive a lease, or if management failed to return the fully executed lease, or if management refused to issue a lease because the tenant was not a primary tenant. Without a new lease, the tenant simply continued paying the old rent. Management was clearly trying to scare tenants with this tactic and management succeeded.

The TA also sent a four-page letter to their lawyer listing the points from the Black Book that they thought should be addressed, including allowing a limited number of TA members to participate in the Board of Managers' meetings without voting rights (Lincoln Towers got this right for the first few years after conversion).

At the November Executive Board meeting, action on the Black Book was reported on and the latest developments on harassment, which included meetings with an Assembly member and someone from the Attorney General's office that accomplished nothing.

There was a special Executive Board meeting on December 4, 1985, at which the TA's attorney was present. The Board agreed to pay an additional $500 to the attorney who had done the analysis of the Black Book. The Black Book contained nine omissions by the sponsor according to the attorney. Even though there were a lot of empty apartments, the TA's lawyer did not want to take Court action unless they were sure of winning. He wanted to do more research and submit a written report to the Board by December 11.

On harassment, the lawyer referred to the meeting at the Attorney General's office, and he stated that as of today (December 4), no satisfactory agreement had been reached with the sponsor. The Attorney General's office received a letter from the landlord stating that (1) tenants would no longer be asked to present proof of primary residence or legal occupancy to management when renewing a lease, (2) if the outside arbiter appointed by the Attorney General found insufficient evidence to evict, the tenant would be issued a lease renewal within 15 days of that decision. The TA had 40 documented cases of lease non-renewal. How to finance Court action was discussed.

A special Executive Board meeting was held on December 17, 1985. The Treasurer proposed that a General Membership Meeting be held in January to

approve annual membership dues of $25 and to begin the membership drive. The Board agreed.

A seven-page legal analysis of harassment and the Black Book by the TA's lawyer was distributed and read. A discussion followed on whether the Board should take a narrow approach (concentrate on harassment and take action against sponsor and/or the Attorney General) or a global approach (all the reasons that conversion was detrimental to affordable rental housing). It was decided to use the latter and to write a letter to the Attorney General stating the TA's reasons for believing that the Attorney General should revoke the conversion plan and to give January 15 as the cut-off date for the sponsor to enter into a settlement with the TA. A motion was made that if the TA did not receive full or substantial satisfaction from the Attorney General by January 15, including revocation of the conversion plan, the TA would prepare for Court action using the global approach and taking up the issues of the Black Book and harassment. The Board decided that Court action should be approved first by the general membership.

The Executive Board also decided that tenants faced with eviction or an emergency situation should be protected by Court action if necessary, and that between meetings of the Executive Board, decisions on such Court action should be determined by the President and the Legal Committee Chair in consultation with the TA attorney.

At the January 1986 Executive Board meeting, it was reported that the TA's

lawyer had sent a request to the Attorney General's office that the conversion be revoked or an injunction be made against it. The Attorney General's office had written to the sponsor charging violation of the agreement on the outside arbiter to rule on harassment cases and the law in several ways including (1) failure to issue the Black Book to all occupants of 372 and 382 (2) non-acceptance of subscriptions (agreements to buy) and (3) refusal to renew leases for tenants not referred to the outside arbiter.

The January TA newsletter carried an analysis of the Black Books issued to 372 and 382 Central Park West on October 29, 1985 and found that the plans contained factual omissions and that the buildings had more warehoused apartments than allowed by law. Harassment of tenants in all seven buildings regarding lease renewals had continued for more than a year.

The TA had called a press conference for January 31, 1986 to be held at the Supreme Court building. State and city elected officials came, but no press representatives showed up. That was not surprising because the New York City news media tend to support real estate interests (some are owned by leading real estate figures) and Helmsley was a prominent person in that arena.

At the February 1986 Executive Board meeting, the President reported that on January 30 the TA's lawyer was granted a Temporary Restraining Order regarding conversion, the Black Book, and harassment.

On February 3 the Temporary Restraining Order was lifted on conversion but retained for harassment. The TA motion for a preliminary injunction was

adjourned until February 25 to give the Assistant Attorney General time to investigate harassment allegations. On February 25 Judge Kenneth Shorter, the permanent judge on the TA's case, would conduct a hearing on the Temporary Restraining Order on conversion, the Black Book and harassment.

The Legal Committee Chair reported that at the February 25 Court hearing, the Attorney General's office requested an adjournment until April 1 to continue harassment investigations. In 382 Central Park West approximately 160 out of 412 apartments were warehoused -- almost four times the allowable number.

The Executive Board meeting of April 9, 1986 opened with a report on a meeting with the Attorney General's staff: the TA was not happy with how the Attorney General's outside arbiter was functioning and the TA's lawyer had made a number of complaints.

Standing Committee Chairs were appointed by the President and approved by the Board. The total membership for the previous year, 1985, was 1,032 out of a possible 2,407 (the number of occupied apartments).

At the Executive Board meeting of April 30, the Publications Committee Chair announced that PWVTA had received a Citizens Committee communications award of $100.

In a legal action update, the President stated that the Attorney General's office was supporting the TA on harassment. The Legal Committee Chair reported that $31,788 was owed to the lawyer for the January through March bills. It was suggested by a Board member that a committee be set up to deal with the

problem of the TA's financial deficit.

The Executive Board meeting of May 21, 1986 heard that the Attorney General's office would take into consideration the TA's points on the Black Book and subsequent adjustments would be made, that there was a pattern of harassment by the landlord and a permanent injunction against it should have been issued, and that the Black Book was still in force.

The Attorney General's office would submit an additional affidavit to the Court stating that the high percentage of eviction cases rejected as being without merit by the outside arbiter constituted further proof of harassment. Any tenant who was pressured into a subscription-agreement (agreement to buy) by the sponsor's April 7 closing date could rescind such subscription. The sponsor's April 7 announcement was contrary to the Court's previous order. (When the TA had brought the sponsor's April 7 announcement to the Court's notice, the Judge had ordered that it be withdrawn.) The TA did not know when the Court would hand down a decision on harassment.

The Executive Board meeting held on July 16, 1986 was mainly concerned with the Special Finance Committee, set up at the previous Board meeting to consider the legal fees deficit of approximately $40,000. The TA had on hand $3,000. The Board authorized the Special Finance Committee to draw up a list and contact people for contributions to the Legal Fund. It was decided that a general membership meeting should be held in September after Labor Day to explain the financial situation to the membership.

A special Executive Board meeting was held on September 10, 1986 at which the TA's attorney was present. The purpose of the meeting was to discuss Judge Kenneth Shorter's interim decision on the TA's Court case against the Attorney General and Helmsley and his agents.

The following points were made by the attorney. It took the Attorney General approximately four months after the filing of the TA's original lawsuit to establish a finding of harassment. The Attorney General had not revoked the conversion plan. An injunction order against harassment would be served upon Helmsley. The Attorney General was to prepare a "little order" on harassment. Once the order was signed by the Judge, it would be a final decision. The Court had found merit with some of the Black Book deficiencies raised by the TA. Accordingly, Helmsley had been ordered to amend the Black Book and to comply with full and fair disclosure. As a result of the Judge's August 29 decision against harassment, the 90-day insider's buying period had been extended indefinitely -- until an ultimate decision was rendered on the TA's Article 78 proceedings. No closings were allowed until the 15 percent *bona fide* residents' or the *bona fide* outside purchasers' requirements had been met. The Attorney General was required to review the list of prospective buyers to make sure they were legitimate.

At the Executive Board meeting of September 24, 1986, it was announced that the TA had met its membership goal of 1,000 and now had 1,003 apartment members.

The Legal Committee Chair announced that a news release on the harassment Court case was sent to about 70 media organizations. There was no reaction. Elected officials were also informed. The Committee was examining lists of prospective buyers and planned to challenge dubious names with the Attorney General. Warehousing of apartments had started at the 392 and 400 Central Park West buildings which faced 100th Street.

A general membership meeting was held on September 30, 1986. About 135 people attended. The Treasurer reported that the outstanding legal bill totalled $45,000 and that thus far, $123,500 had been spent on the Black Book, harassment, and Title I legal cases.

The Attorney General established a finding of harassment against Helmsley and on August 29, 1986, the Judge granted an injunction against harassment covering the entire complex. If harassment continued, the Judge might terminate the conversion plan.

At the Executive Board meeting of October 22, 1986, it was reported that in a conference with Judge Shorter, the efforts of the sponsor's attorney to quash the case were rebuffed by the Court.

The Executive Board meeting of November 19, 1986 heard that membership had increased in 1986 over the previous year. More harassment cases had occurred since the Judge's ruling. At least six of these cases would be put in affidavit form and given to the Judge.

The Treasurer reported that $2,500 would be paid against the outstanding

legal balance. A special advertising edition of the newsletter had been issued carrying nothing but advertisements placed by neighborhood businesses and restaurants and $1,250 had been grossed on this for the Legal Fund.

The December TA newsletter carried an item about Leona Helmsley who had fired the manager of Park West Village. He had been at Park West Village since 1962 when Alcoa Residences bought it from William Zeckendorf and since Helmsley bought it from Alcoa in 1972. (He had allowed some scenes for a Kojak television show to be filmed in an area around one of the Central Park West buildings. Payment for this service did not appear in the official coffers.)

A membership meeting was held in January 1987 to hear reports from the officers, committee chairs, and to set the dues for 1987. The Treasurer reported that the TA owed legal expenses of $44,754. It was reported that 400 leases had been secured for tenants in 1986 who were either refused leases or threatened with eviction. The total membership for 1986 was 1,044. The meeting was attended by 125 people. The new annual dues proposed by the Executive Board were $50. The vote was 62 for and 18 against. The lawyer gave a report on conversion, Court action and harassment. The lawyer hoped that the conversion could be stopped on various legal technicalities.

The January 1987 Executive Board meeting was devoted to a discussion of the legal options open to the TA. The lawyer was present. He did not think that Helmsley had complied with the order to cease harassment although it had decreased somewhat. The sponsor withdrew his first list of buyers because it was

flawed. He submitted a second one a couple of days past the deadline, which the Attorney General accepted.

A special Executive Board meeting was called in early February. Much of the discussion centered on points in the conversion that the tenants couldn't answer. They doubted that their lawyer was an expert on conversion and they wanted to seek advice from someone who had experience in this area. The President was against this and said that if we needed other advice our lawyer could find it for us. But a motion was passed, "That after consulting with [the TA lawyer] on unanswered conversion questions, the Committee is authorized by the Board to meet with Mr. "X" or some other appropriate person for one time." This President (the contentious one) was very protective of his relationship with the TA's lawyer.

At the regular February Board meeting held later that month, the President proposed that state and local elected representatives be invited to speak at the annual election meeting to be held in March. The President set up a committee to explore whether condo buyers could become members of the TA.

The March 25, 1987 Board meeting was uneventful. The President appointed Standing Committee (Legal, Grievance, Publications, Action, Social Activities) Chairs for the year which were approved by the Board.

The April 1987 Board meeting heard a report from the Ad Hoc Conversion Committee. The conversion of 372 and 382 Central Park West had not been approved yet. There were now three groups in the two buildings besides the TA:

Tenants Open-Minded About Conversion (TOMAC), Bottom Line, and Outside Purchasers. Bottom Line had been a part of TOMAC but because they wanted 65% off the outsiders' price for the inside buyers (15% more than TOMAC sought), TOMAC asked them to leave, claiming that they represented a conflict of interest. Bottom Line then contacted the sponsor who said they would talk after the conversion. Not surprisingly, Bottom Line got nowhere. The Outside Purchasers consisted of fifteen people who wanted to get out of their contracts because their situations had changed from a year ago.

Conversion Order Issued

A special Executive Board meeting was called for May 21 to discuss the effects of the Conversion Order issued the day before by the Attorney General's office for 372 and 382 Central Park West. The TA's lawyer did not see any point in trying to make a Court case against the Order. A number of questions were raised about the sponsor's original list of inside buyers which the Attorney General's office began investigating. The sponsor withdrew the list and submitted a new one which included 150 names from TOMAC.

In May the Citizens Committee of New York City, Inc. awarded the TA $100 a second time for communications on the basis of its newsletters.

An injunction against tenant harassment was issued in May by Judge Kenneth L. Shorter of the Manhattan Supreme Court. It was very inclusive and applied to buildings undergoing conversion.

At the Executive Board meeting of June 25, 1987, the Legal Committee

Chair reported on a discussion in the Committee about the lawyer's work on the Black Book. Two opinions were expressed: his work was not so good and his work was not so bad. After some discussion on the lawyer, it was decided that in future the Red Herring would not automatically be referred to him.

More Park West management firings attributed to Leona Helmsley took place: the head of maintenance (another long-time employee), the manager, and assistant manager of Park West Village. The latter two were replaced by personnel from Parkchester in the Bronx (another troubled Helmsley conversion project).

Park West Management Contacts the TA

At the Board meeting of July 23, 1987 the President reported on the TA's first formal meeting held with Park West management that afternoon. The TA President and Vice President attended and Helmsley was represented by the new Park West manager, sponsor's representative on the 372 and 382 Central Park West Boards of Managers, and the Helmsley representative from 60 East 42nd Street (Helmsley's headquarters). They said that unlike previous managements they wanted to work with the TA. The Helmsley representatives explained what would be happening in 372 and 382 Central Park West. They were planning to let the tenants' package room go (it was located in 372 CPW). The TA representatives told them that they couldn't eliminate a longtime service like the package room. They would have to relocate it.

It was finally concluded by the Board that management was being

conciliatory because the TA had held up the conversion for so long. Previously, management had refused to meet formally with TA representatives.

The Legal Committee Chair reported on motions passed at the Committee meeting: (1) when the Boards of Managers of 372 and 382 Central Park West were formed and functioning, the TA should ask to have a tenant observer at Board meetings, and (2) the TA proposed that the Boards set up a committee with the TA to deal with common interests, such as playgrounds and parking spaces.

The Board went on record that it would not get involved with a Red Herring or Black Book in future conversions except for issues pertaining to tenants' rights and interests, and that the TA would not use lawyers to examine a Red Herring or Black Book. It was passed by a close vote.

At the regular September 1987 Executive Board meeting, an updated policy statement was presented confirming that the TA was an organization of tenants only, that they would review future Red Herrings and Black Books from the viewpoint of tenant welfare, that they would work on issues of common concern with the converted buildings, that they recognized that tenants and owners may and may not have some things in common, and that they would guard against harassment. Tenants renting destabilized apartments were welcome to join the TA. A motion was passed that owners who were members could remain members until the end of the year but could not join the next year. A motion was also passed that the TA set up a liaison committee to work with prospective buyers on problems of common concern.

The President suggested that the TA join the Tenant Unity Coalition (TUC) and the Board consented. TUC included both Met Council and NYSTNC, the two leading tenant umbrella organizations in New York City, as well as TAs like PWVTA.

The President sent letters to the heads of the Boards of Managers in 372 and 382 suggesting that a committee from the TA work with a committee from the condos on mutual concerns. No reply was ever received.

At the October 1987 meeting of the Executive Board, the President said she was notified by the Health Department that the pipes in the basement laundry rooms of the three Columbus Avenue buildings were covered with asbestos. The asbestos should be removed or contained but was not considered an immediate danger. The two unconverted Central Park West buildings would be inspected for asbestos at the time of conversion. Representatives from the TA had met with management on their responses to maintenance requests and management's policy of not allowing tenants to transfer to larger apartments even though they kept a list of such requests in the office. (In the conversion of 392 and 400 Central Park West, they did allow some tenants to transfer to larger apartments in the Columbus Avenue buildings, presumably because condo buying was beginning to wane and they wanted empty apartments.)

The Treasurer reported that the bank balance was $2,750 and that the outstanding debt to the lawyer was $27,105.

The package room would be relocated and new machines would be

installed in the laundry rooms. It was emphasized that individual buildings should not meet with management and that meetings should be set by the President. The Board was aware of some warehousing going on in the remaining five buildings.

It was reported that there had been a meeting earlier that evening in 792 Columbus Avenue with the manager of the development and tenants about the gas outage in 792 and management's difficulty in obtaining entry to various apartments. They agreed that management must give tenants a 24-hour notice. In the meantime the tenants were without gas due to a mysterious explosion in the basement. The TA attributed it to management negligence since no tenants were involved.

The Board voted that the TA support legislation to outlaw warehousing of rental apartments and to preserve rent stabilization for all rental apartments in converted buildings. There was legislation before the city and state on these items. Neither was passed.

At the November Executive Board meeting the President gave another report on the asbestos situation in the three Columbus Avenue buildings. There was asbestos in the three buildings and the TA was awaiting a Health Commissioner's order to correct the problem. (Asbestos was a relatively new problem at that time.)

The gas outage in 792 Columbus continued for about 15 days and most tenants did not want to withhold rent under the Warranty of Habitability Law for

loss of service. The attitude of the tenants was that they wanted to forget about what they had been through due to the outage. Some were proud of their fortitude and ingenuity.

The Board decided that a questionnaire should be prepared for tenants in buildings to be converted so that the TA would know what problems existed and how the TA could assist the tenants.

At the December 1987 Executive Board meeting, there was a discussion on the dues for 1988. The membership for 1986 was about 1,000 and for this year a little over 750. It was decided to lower the dues from $50 to $35.

Permanent Injunction Against Harassment Issued

The January 1988 newsletter announced that a permanent injunction against harassment had been issued on December 24, 1987. The injunction applied to renters in 372 and 382 Central Park West as long as the sponsor owned any apartments. The injunction would protect tenants in other Park West Village buildings as soon as the sponsor began conversion procedures. In addition, "the provisions of this order shall constitute guidelines to all buildings at Park West Village as long as a conversion plan is pending and until the sponsor no longer holds any shares."

At the February 1988 Board meeting the Treasurer reported that the TA still owed the lawyer $26,328. Helmsley was appealing the harassment order that the TA had won. It was decided that the TA would defend against this appeal. The Quality of Life Committee, formerly the Grievance Committee, had prepared

a questionnaire to distribute to tenants on the condition of their apartments.

March 1988 was the last time there was a contested election for officers. Three of the five offices had two candidates running: President, Vice President, and Membership Secretary.

At the March Board meeting a question was raised about the new windows being installed in the recently converted 372 and 382 Central Park West buildings: could the sponsor get a Major Capital Improvement rent increase from the non-buying tenants. The TA would investigate if this was legitimate.

In the April Board meeting the question about new windows for 372 and 382 Central Park West was resolved by the Attorney General's interpretation that the Black Book stated that the sponsor would install the windows at his "sole expense."

At their May meeting the Board discussed the lawyer's bill which was down to $15,000 and they agreed to pay $1,500 a month until it was paid up. The 372 and 382 Central Park West Boards of Managers said that all new parking spaces were reserved for buyers. The TA decided to contest this with the state Department of Housing and Community Renewal (DHCR).

At the June 1988 Executive Board meeting it was announced that the Red Herrings in 392 and 400 CPW were received by tenants in mid-June. The President said that the Legal Committee would review the Red Herring and come to the Board with its recommendations for outside legal assistance. It was agreed that the *Life After Conversion* pamphlet should be updated and reissued.

In June, the Park West Village management replaced the manager and the maintenance operations manager. Whether this was more of Leona Helmsley's handiwork, the TA couldn't fathom. (Her hairdresser and two grandsons occupy three apartments in the Central Park West buildings.)

The Executive Board met in July. The Legal Committee Chair reported on the analysis of the Red Herring received by 392 and 400 Central Park West. Amendments to the Black Book would be given only to buyers. The tenants believed this was unfair. Who is a *bona fide* tenant? Anyone with a lease, whether they lived in Park West Village or not, according to the Attorney General. All Major Capital Improvement rent increases would be passed on to tenants. The sponsor could make any structural changes in any apartment he owned. The President said that a group was forming in 392 and 400 to develop a strategy to deal with conversion.

The Red Herring was a preliminary prospectus of a proposed conversion. It could be supplemented or changed by the sponsor. The Attorney General reviewed it for compliance with the law and notified the sponsor within six months whether the plan was acceptable for filing or if it should be modified before a final offering was made. Modifications were frequently required and could take additional months. The Attorney General encouraged tenants to notify his office if significant information was omitted or different from that in the Red Herring. No one may buy during the Red Herring period.

The Black Book was a final offering plan for a co-op or condo. It laid out

the conditions and terms on which the sponsor was allowed to sell apartments and by which the condo would be governed. It could be amended, accepted or rejected. A non-eviction plan required that a *minimum* of 15 percent of the apartments be bought within 15 months by people who lived in the building if the plan was to become effective (TA newsletter, July 1988). An eviction plan required 35 percent inside buyers.

There was a special Executive Board meeting on August 4, 1988 for the purpose of discussing the TA's role in the conversions of 392 and 400 Central Park West. The Board adopted the following points as its policy on conversion.

> PWVTA remains opposed in principle to conversion in PWV and elsewhere when this results in the removal of rental housing for low and middle income tenants. PWVTA supports other groups who are continuing to press legislatively and judicially for land use and environmental policies which recognize that their effects on *people,* not just on land, air and water, should be regarded as significant. PWVTA supports legislation which would strengthen the position of rental tenants in protecting their homes (i.e., warehousing, MCIs, right of succession, etc.). PWVTA remains opposed to conversion in practice since it weakens the position of renters at PWV. PWVTA presently does not plan court action to oppose the conversion of 392 and 400. PWVTA will continue to monitor the landlord's actions and will support further court action on harassment should that become necessary. PWVTA members will undertake an analysis of how the provisions of the red herrings and subsequent black books affect tenants both in the immediately affected buildings and throughout the complex. The Attorney General and any groups whose concerns include improving the plans to better protect the residents will be informed of PWVTAs findings as appropriate. PWVTA will not raise or help raise the large amounts of money necessary to hire legal, architectural and/or engineering help to scrutinize the red herrings or black books. Should professional advice be recommended by PWVTA committees on specific issues of concern to tenants, the PWVTA Board will decide whether, for what purpose, and to what extent such advice should be employed. PWVTA will continue its policy of monitoring building conditions, providing information

about the meaning and implication of conversion proposals, and revising and updating relevant publications.

Different views were expressed on whether and to what extent tenants should participate in the conversion negotiations. One view was that tenants should participate as much as they wanted to with the aim of gaining tenant protections in the final Black Book but advised tenants to pay no dues or become affiliated with the negotiating committee. Another view was that allowing tenants' participation would weaken the position of the TA in opposing the conversion. The first view won by a vote of 16 to 5 with 1 abstention.

On June 29, 1988, tenants of 392 and 400 Central Park West met to set up an organization to handle the conversion. On August 17 these tenants met again to set up an Executive Committee with 7 members elected from each building. Thus the 392/400 Committee, which included non-buying members, was established to negotiate with the sponsor.

At the September meeting of the TA Executive Board, the Legal Committee Chair reported that the Red Herring had been examined and 14 points would be presented to the Attorney General as being detrimental to non-purchasing tenants. A Social Activities Committee report was given on the International Dinner to be held at the end of October. The Chair of the Elevator Campaign Committee reported that a letter was sent to management on September 6 and they replied on September 8 that they had hired elevator consultants and were awaiting their report. That Chair and the President met with the assistant manager of Park West Village on the September 26 and were told that new equipment would be

installed in the elevators.

At the October Executive Board meeting it was noted that management was taking steps to rectify the elevator situation. A visiting long-time TA member (not a Board member) made a statement against the organization of the 392/400 Committee and requested space in the newsletter to state his views. The Board passed a motion allowing him to do so.

At the November 1988 Board meeting a motion to set up an absentee ballot for the annual election meetings was defeated because it would be too difficult to control. It was decided that the TA President would be the liaison with the 392/400 Committee.

The Executive Board meeting in December heard a membership report that 882 members fell short of the 920 projected for 1988. The Legal Committee Chair reported that a letter had gone to DHCR requesting an advisory opinion on the warehousing of parking spaces in the five buildings and the denial after conversion of new spaces to non-purchasing tenants in 372 and 382. (Over a year later DHCR replied supporting the tenants' rights to parking spaces. But this was never resolved with the 372 and 382 Boards of Managers because no tenant in either building was willing to let the TA make a test case for him/her.)

Conclusion

The TA had been in operation since early 1975 and had been successful in its battles with Helmsley. At first, the prospect of conversion seemed incomprehensible -- a threat to be fought and defeated as the hardship increase had been.

This is an example of the tenor of the times being against the TA. Conversion was hailed by public officials and politicians alike as a way to improve the appearance and functioning of apartment buildings and neighborhoods. The theory was that people take much better care of their own property. This completely neglects the fact that the landlord takes care of his property as he sees fit and the tenants have very little to say about it. The buyers, who tend to be a more affluent group of residents, feel that they have to protect their investment by improving it, or appearing to do so.

The first lawyer the TA retained for the conversion case was the same lawyer who had won the landmark case for the tenants by using the Warranty of Habitability Law in the maintenance workers' strike. The tenants were confident that he could win their anti-conversion case. They didn't understand his honest doubts about how winnable their case was and they felt betrayed by the fact that he even questioned the wisdom of their pursuing the case. They fired him and retained another lawyer who had tenants and labor unions as his clients. (This TA had an inviolate rule about hiring only lawyers who had never represented landlords.) He didn't seem as knowledgeable on tenant matters as the first lawyer was. He might even have been unduly optimistic about the prospects of preventing the conversion. After the defeat of the TA's case (brought by the Attorney General and the City Counsel), he was less interested in the TA's affairs. Some months later the TA had to drop him because he was increasingly unavailable to them.

As their case against conversion dragged on, it became evident that not only was the political atmosphere unfavorable, but also their finances were totally inadequate and some of their membership were confused by the conversion and how it would affect them. It was thought that a few tenants bought from fear of what would happen to them if they didn't buy (see Chapter I, p. 12).

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CHAPTER V

CONCLUSIONS

Political Process Theory and Tenants' Associations

TAs come into existence when tenants are threatened, for example, by an unexpected increase in rent or decrease in building services. The TA was organized at Park West Village in 1975 in response to Helmsley's quest for a hardship rent increase. At that time a permanent organization was consciously established to handle whatever grievances might develop in the future.

According to McAdam's political process model discussed in Chapter I, non-institutional actions that tenants can take to resist rent increases and service decreases are: public demonstrations, rent strikes where no rent is paid until grievances are settled, or rent withholding actions where part of the rent is withheld as long as a service is withheld. Institutionalized actions include Court cases and formal complaints to the state Department of Housing and Community Renewal (DHCR). Court cases are costly and may not be successful since judges are usually not renters and may tend to be more sympathetic to the owner. While the TA can submit complaints to DHCR, it takes two to four years for DHCR to process and render a decision on a complaint and the decision is more likely to favor the landlord. The TA can use a lawyer to assist in filing a Petition for Administrative Review to challenge a DHCR decision in favor of the landlord, but that is also expensive.

How do the institutional and non-institutional actions of the TAs rate with

the opposing elites who are the landlords. The actions are most effective in the following order: rent strike, rent withholding, Court case, DHCR complaint, demonstration. Demonstrations are used mainly to try to influence legislators or to call public attention to the TA's grievance. A Court case might be more effective against the landlord if a strong case could be made and if it did not conflict with political trends, such as the conversion of rental units to condos and co-ops in the 1980s. Judges and politicians supported this trend because they thought it improved the quality of life.

Using Piven and Cloward's criteria for a change in consciousness or awareness on the part of TA members, the following factors must be considered. (1) The system loses its legitimacy: certainly the landlord system has lost some of its legitimacy. Many years ago, when PWVTA was in its infancy, it was not uncommon for a tenant to stand up at a membership meeting and defend the landlord's right to make a fair profit. No more. The TA did a good job of exposing Helmsley's love of higher profits through its newsletters and flyers in the course of fighting his attempted hardship increase. (Leona Helmsley's 1991 trial on tax evasion charges would certainly banish any illusions about that poor landlord.)

(2) People begin to assert their rights: the TA has not hesitated to assert itself on behalf of tenants' rights. Disagreements arise on what is the best course of action to take, but all are agreed that action must be taken.

(3) People have a sense that they can change things: tenants have a sense

that they would like to change things, but they are usually on the defensive trying to prevent negative changes from occurring. Rent-controlled tenants are under attack by landlords and legislators alike. Governor Pataki is openly opposed to rent control. Mayor Giuliani does not endorse rent control, but he has to be wary since most New York City residents are renters, not owners. The landlords are determined to make further inroads on the rent stabilization law when it comes up for renewal in Albany on June 15, 1997. Their ultimate aim, of course, is to abolish it completely.

Using McAdam's political process model on carrying out a successful insurgency: the TA does understand the issues and nature of a particular grievance, but it is hardly ever in a favorable political situation in which to protest. Again, this is because of the power that the real estate industry is able to exert on politicians (landlord organizations make substantial campaign contributions) and on public opinion. (The Rent Stabilization Association runs full-page advertisements in the New York Times several times a year depicting the plight of the poor landlord.) Depending on the grievance and the resources to deal with it, a TA has to make the best decision it can and hope that it will be successful in its fight.

With respect to McAdam's three dangers to a grassroots organization remaining grassroots, namely, oligarchization, co-optation, and dissolution of indigenous support: while the PWVTA leadership is dominated by perhaps a dozen people, that is not due to a thirst for power. Rather, responsible people

have to be persuaded to fill leadership roles. Today, about two dozen people are active out of 600-plus apartment unit members. Since the condo conversions, about 50 to 60 people is considered a good turnout for membership meetings which are held three or four times a year. Of the active people, not all are suited or willing to be officers or committee chairs. According to the TA's constitution and by-laws, individuals cannot hold office for more than two consecutive years. Thus there is little chance for one or two people to control the TA over a long period of time. (But that does happen in other TAs that do not have a time limit on holding office.)

Co-optation of the TA by management is not likely under the present owner. When the second conversion was getting under way, management invited PWVTA, as a formal organization, to meet with it. Previous to that, when the PWVTA requested meetings on important issues, management refused to acknowledge that the tenants had their own organization. The TA thinks that the four and one-half year delay they caused Helmsley in his first conversion attempt at Park West Village was the key to changing management's attitude. However, little was accomplished by the meetings. The TA has not met with the present management personnel for a couple of years because they are unresponsive and, at best, lie to the TA representatives. Such meetings are viewed by the present TA leadership as a waste of time. Therefore, other actions must be taken if the tenants hope to get needed services from management.

Maintaining indigenous support refers to the TA membership. PWVTA has

approximately 43 percent of rent-stabilized units as members. This is important because it is the base for financial resources. PWVTA has chosen to right its wrongs mainly by institutionalized means. In the present situation there is a shortage of affordable housing and tenants' fear that if they lose the housing they have, they will become homeless. Thus, there is no possibility that the tenants would join in a rent strike, for example, unless faced with a drastic landlord action, such as, all rent stabilized tenants being threatened with immediate eviction.

In 1992 the TA chose the institutionalized approach of filing a Department of Housing and Community Renewal (DHCR) complaint on insufficient services and security. Much to their surprise, the TA won and the next thing was to persuade the tenants who had signed the complaint to pay the reduced rent they were entitled to. There is no way of knowing how many did pay the reduced rent. One building leader estimated 50 percent in her building.

McAdam's political process theory has been useful in analyzing TAs because he has given very clear definitions of institutionalized and non-institutional actions, their risks and possible outcomes, and he does this within a political context. His statement that institutionalized tactics which in this case are less threatening to landlords because they don't jeopardize the political foundations of society is very true.

DHCR is a good example of an institution meant to contain and neutralize tenant dissatisfaction. Its commissioner is appointed by the governor. Mario

Cuomo was not a pro-tenant governor. His first-appointed commissioner functioned appropriately but his second appointment, a few years ago, was purely political and clearly incompetent. Tenant groups felt that this was done intentionally. TAs don't have the resources that wealthy landlords have and are often forced to use unresponsive institutions. DHCR will be even less effective in 1995 from the tenants' viewpoint because Governor George Pataki has appointed a former slumlord to head the agency. This commissioner has laid off many employees and promises to "streamline" the agency's functioning. This means that an already overburdened agency will become even less responsive.

PWVTA Leadership

The PWVTA Executive Board is the ruling body of the TA. It would probably characterize itself politically as liberal with the exception of one man who is described by those who know him as an ultra-conservative. In recent years there has been a more cooperative spirit within the Board. There are a few members who have their own agendas, but with the general aging of the Board it is hoped that they will be a less disruptive element.

Executive Board composition: most members are middle-aged or older. Only two are young (in their twenties or thirties). It is thought that the reason for this is because younger tenants are too involved with their jobs and their personal lives, and that their perspective on living in the building is not as permanent as that of older tenants. Of the regular Board members 19 are women and 7 are men, a ratio of almost 3 to 1. Members theorize that the reason the TA attracts so few

men is because there is so little real power involved.

When the Boards of Managers of the condo buildings were first elected (6 per building in the first two converted buildings and 9 in each of the second two buildings), the Boards were composed exclusively of men for the obvious reason that their money was involved. It may be that managing a building (they have a professional management company to do the day-to-day managing) was more burdensome and politically volatile than they had expected. The converted buildings now have difficulty getting capable people to serve on the condo Boards and there are a few women serving.

Of the regular 26 TA Executive Board members, 14 are retired although most of them do some kind of part-time or volunteer work. Occupationally, they range from white collar to professional workers. They don't mention their work backgrounds unless they think it will give them more authority in arguing a point before the Board. In general, unless one became very friendly with a Board member and socialized with him/her, one would not know much about any of them. It is as if they want to keep their personal lives as private as possible. At least two Board members have been with the organization since its inception. Thirteen members have been on and off the Board for the past five to ten years. Less than a dozen members provide the policy inputs for the Board.

As TAs go, PWVTA is fairly strong. It has a shrinking membership since the number of rent stabilized tenants has decreased in the converted buildings. Financially, the TA had over $50,000 in its treasury despite paying legal expenses

of almost $15,000 in 1993. It still had a balance of over $40,000 after 1994 legal expenses of well over $15,000. Unfortunately PWVTA has to pay federal, state, and city income taxes. Toward the end of the 1980s the Board voted that the TA should open a Money Market Account at their bank in order to get a higher interest rate. They did and found that they had to have an employer's identification number. Thus, they were discovered by the Internal Revenue Service which spells out in its regulations that TAs are liable for income taxes. All labor is voluntary and no officer or committee chair receives compensation. Reasonable out-of-pocket expenses are reimbursed.

Viability and Effectiveness of Tenants' Associations

The housing shortage has been exacerbated by the conversion of so much affordable rental housing to condominiums and cooperatives. Tenants are also faced with constantly increasing rents and little or no increase in incomes.

The Park West Village conversion has reduced the total number of stabilized rental units from 2,500 to 1,428. The most desirable condo building (Central Park West and 97th Street) has gone from 414 to 115 rental units. Not included in the latter figures are a few units that are being rented at market prices which are much higher than stabilized rents. When a renter vacates a rent stabilized unit in a converted building, it is no longer rent stabilized. Non-stabilized renters rarely join the TA since there is little the TA can do for them. These renters usually move after a year, presumably to someplace more affordable.

Once a year the Rent Guidelines Board (RGB) holds public meetings when it is in the process of setting the new lease increases for rent stabilized tenants. Tenants can testify at the public meetings but usually they are outnumbered by the small marginal landlords that the real estate lobby uses to represent their interests.The RGB has never enacted a rent decrease. Tenant groups have not been able to stop the Board from using its own cost of living figures for setting rent increases. (David Dinkins ran for mayor on the promise to abolish the use of those figures, but he did not keep his promise.)

Helmsley's actions against the PWVTA have included a complex-wide, hardship rent increase attempt in 1975, harassment to evict tenants during the first conversion attempt, and, more recently, building-wide neglect of proper maintenance and security in the three unconverted Columbus Avenue buildings. Tenants received a rent reduction in the spring of 1994 for lack of maintenance in response to a complaint the three buildings had filed with DHCR two years earlier. DHCR sent inspectors to the three buildings in early 1994 and their findings confirmed most of the tenants' complaints.

The TA remains alert to any actions by the landlord. In 1994 the tenants were informed by management that new windows would be installed in the three unconverted Columbus Avenue buildings. The TA immediately consulted their lawyer on how to fight the Major Capital Improvement (MCI) rent increase that would result. If they are lucky, they may get the increase reduced only slightly because the installation was done properly and the windows are functional.

There is a long list of building-wide improvements that DHCR allows landlords to receive MCI rent increases for. The fact that the owner usually gets a J-51 tax deferral for the expense incurred is not taken into consideration by DHCR. These MCI increases become a permanent part of the base rent and tenants are convinced that owners actually make money by not maintaining their buildings properly until they have to do a major repair and can apply for an MCI rent increase. The owners know that they will be more than compensated by the permanent base rent increase.

Window replacement used to mean that the building was to be converted soon after. Thus far, there has been no sign of that at Park West Village. (The MCI increase for windows is about $15 per room per month.) Since the tenants were awarded a rent decrease or rollback, as long as that action is going on, the landlord cannot get the window increase. The MCI increase begins only after the action around the DHCR complaints (be they rent decreases or appeals) are resolved and it is not retroactive when it does go into effect.

Possible Political Impact of Tenants' Associations

It is possible that tenants can be effective when joining with other progressive groups to elect someone who will represent their interests. Bernard Sanders, who calls himself an independent socialist, was elected Mayor of Burlington, Vermont's largest city, in 1981. The tenants there joined with senior citizens, municipal unions, and liberal homeowners in March 1981 to elect him because he recognized the crisis of the lack of affordable housing (Gilderbloom

and Appelbaum 1988). (He held that office until 1990 when he ran in the congressional election and won a seat in the House of Representatives to which he was reelected in 1992 and 1994.)

In California, the state legislature passed Proposition 13 in 1978 for the purpose of rolling back property taxes to their 1975 level. Tenants were promised lower rents to induce them to support the measure. After this proposition was approved, rents remained the same or were increased. In Southern California a lot of tenant organizing was done as a result and the city of Santa Monica was particularly active.

> Through the initiative process, tenants [in Santa Monica] passed the strictest rent control law now in force in the United States, elected a full slate of tenant supported, rent-control board members, and replaced a conservative, landlord oriented city council with a liberal progressive, tenant oriented governing body (Heskin: xv).

So it is possible that tenants, as such, can be instrumental in promoting progressive political actions.

The history of this TA is not simply of one grassroots organization but it is a reflection of what has been going on between rent regulated tenants in New York City and the real estate industry in the seventies and eighties.

The TA's future prospects are impossible to predict. The Helmsley organization suffered a sharp decline of staff during the income tax trial. Harry Helmsley is now 86 and, it would appear, mostly homebound. Leona still goes to the office. She lost her real estate license some years ago because of her unethical methods of trying to convert a rental building owned by Helmsley.

Since her conviction on tax evasion charges she can't manage hotels again since they serve liquor.

If Harry Helmsley should die, the business would go to his partners who are elderly and wealthy as well and not interested in undertaking new projects.

The residential real estate market appears to be still dormant. As tenants vacate their apartments on the Central Park Side, the TA membership will diminish.

The big landlords have to be cheered by the election of a Republican governor and mayor. There will certainly be a need for grassroots Tenants' Associations everywhere.

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