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City Limits WEEKLY  
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## APARTMENTS BILLED AS HOTELS SQUEEZE AFFORDABLE HOUSING

Residents, officials band together to fight legally questionable trend that pressures tenants. > *By Tanveer Ali*

The lobby of the Dexter House Hotel on West 86th Street has all of the tourist usuals -- a front desk, a travel brochure stand and complimentary newspapers -- even though Dexter House is a residential building. And while tourists check in and out of what they consider a commercial hotel, tenants who have lived in the building for years are fighting to stay in place.

Dexter House's owner, Jay Wartski, is among a growing group of landlords of nearly 70 known buildings who are trying to make more money off their lower-rent buildings, even if their method is illegal. By advertising vacant rooms on the Internet to unsuspecting tourists, they're able to pull down hundreds per night on some rooms that would rent for less than \$500 per month. And according to some tenants, the lure of the lucrative tourism industry has led landlords to increase harassment and eviction efforts in order to empty more rooms. In response, a coalition of tenants, politicians and advocates has formed to turn the tide and punish greedy landlords while preserving the city's ever-dwindling affordable housing stock.

Attorney Terry Poe of the West Side SRO Law Project, who has been working on this issue almost exclusively, said the practice allows landlords to make more money than they would with rent-regulated or single-room occupancy (SRO) units. "What's happened is that virtually all of the SROs are no longer renting any rooms to permanent tenants," Poe said.

According to a 2005 Department of Housing Preservation and Development survey, the vacancy rate for apartment units in the city stands at only 3.09 percent, so those who leave these SROs and other affordable apartments have few places to go in the city. Poe and other housing analysts have estimated that the number of SRO residents in Manhattan has declined considerably, from 175,000 in the 1970s to fewer than 10,000 now.

Far from isolated, the practice of using residential buildings like Dexter House for commercial use goes back to the late 1980s, but has spiked recently with the advent of Internet travel sites. The problem is particularly acute in the affordable housing stock, although illegal tourist hotels also have sprung up in higher-end housing, particularly in Midtown, as landlords have sought to profit from empty units while converting buildings to co-ops or condos.

Of the 260 single-room occupancy units (SROs) in Dexter House, which have a median monthly rent of around \$450, 83 are vacant and said to be used as nightly rentals. With multiple bunk beds set up in those rooms, the Dexter House Hotel charges \$30 per night per bed.

Vivian Rifflemacher has been a Dexter House resident since the mid-1980s. She says previous owners had used empty units for



transient use, but when Wartski took over as owner in May 2004 he immediately started a campaign to force residents out through scare tactics, eviction notices and bribes while converting the building into a hostel for young international travelers. "It was the only place that I could find that I can afford with an ordinary middle-class income," Rifflemacher said. "The people who live there aren't welcome to live there anymore."

Wartski's attorney Todd Nahins says the building is being used legally as a hostel without putting out long-term tenants. "Mr. Wartski is not trying to displace anyone," Nahins said. "Yes, he's trying to make money." Nahins said the practice of using SROs for tourism does not affect the city's affordable housing stock as SROs have historically been used for transient use, often with tenants subletting their units.

Last month, the Housing Conservation Coordinators held a town hall meeting in Hell's Kitchen for a growing coalition seeking to enforce laws protecting housing from owners like Wartski from converting apartments to commercial use. The meeting drew elected officials, community activists and more than 200 Manhattan residents, many from buildings that were previously not on a list of 67 illegal hotels compiled by HCC.

Upper West Side State Senator Liz Kreuger, a part of the coalition and a governmental task force on the issue, said, "It was clear to us that it was a growing, almost epidemic problem."

Kreuger maintains that enforcement remains difficult because government agencies have varying interpretations of the exact meanings of "resident" and "transient." Still, the city's Department of Buildings says its specialized inspectors have adequately addressed illegal occupancy complaints. Since 2004, 44 complaints about illegal conversions, occupancy and renting at Dexter House have been recorded with the DOB, prompting the city's Law Department to bring litigation against Wartski to seek compliance with code and zoning requirements. "We believe that the laws are sufficiently clear to apprise property owners of their obligations, and to enable us to take enforcement actions when violations are found," said Gabriel Taussig, the Law Department chief attorney.

Anne Cunningham is both a housing specialist for Upper West Side Councilmember Gale Brewer, who has become involved in the hotel issue, and herself a residential hotel tenant. She has lived in a two-room apartment in the former Commander residential hotel on West 73rd Street for nearly 30 years. More than one-third of the units in that building are rented out as \$200-a-night hotel rooms at the recently christened Tempo Hotel. Cunningham said she worries about her housing security, but is encouraged that tenants are mobilizing. "What I am worried about for this community is the state of affordable housing," she said. "When I work, I often see homeless people who lived in these same SROs."

-Tanveer Ali

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