A hotel or not?

Corporate housing debate resides in Battery Park City

LOWER MANHATTAN. Joanna Rose insisted the Related Companies was in the clear. While Tribeca Green was constructed with Liberty Bonds set aside for residential development, the "corporate apartments" there are all "long-term occupants," said the Related spokesperson.

But Rose would only estimate the number of Related’s rent-stabilized apartments leased to corporate housing providers (“it’s less than 10 percent”), and added, “We are certainly not receiving any dollars above what we’re allowed to.”

Furnished Quarters said it has 10 apartments at Tribeca Green, but claimed no knowledge that these units were rent-stabilized. Its Web site advertises the building under the banner “Eco-Friendly Manhattan Living,” complete with a video tour backed by New Age music. Studios and one-, two- and three-bedroom units are offered at rates ranging from $190 to $425 a night. The minimum stay, the site explains, is 30 days.

That 30-day stay makes all the difference to the corporate housing providers. Though the city issues certificates of occupancy that mandate apartments be used for residential purposes, the corporate housing companies argue they deal in month-to-month apartment rentals, not hotel rooms. This explanation doesn’t wash with housing advocates.

These buildings are supposed to provide housing for real New Yorkers, said John Raskin of Housing Conservation Coordinators. “When apartments are converted to hotels, it makes it difficult for everyone else to find an affordable place to live.”

In negotiations with the city, legislators have been trying to close what they see as a loophole in the law. But when state Assemblyman Richard Gottfried, D-Manhattan, proposed an outright ban on leasing rent-stabilized apartments to companies, the corporate housing industry fired back.

Trade group the Corporate Housing Providers Association hired lobbyist Kathleen Cuddy, a former City Hall insider who left her job as a Council attorney to work for Mayor Michael Bloomberg’s first campaign. In a flyer for a Sept. 19 luncheon, CHPA warned its members of a “significant legislative push in New York City that would drastically alter the way the corporate housing industry operates...and perhaps eliminate it entirely...Ms. Gaddy will brief us on efforts to combat this legislation.”

How effective these efforts have been is debatable, but no state or city legislation has been introduced yet. In July, mayoral spokesman Jason Post said, “We want to craft legislation that will stop the quality of life problems that illegal hotels create, but also recognize that there is demand for corporate housing. Striking the right balance takes time, and we want to make sure we get it right.” When reached last week, Post responded, “We continue to work with the Council on the legislation.”

THE CITY HAS STARTED to crack down on illegal conversions. Last week it obtained a preliminary injunction against three single-room-occupancy buildings on the Upper West Side. But these actions came after the Illegal Hotels Working Group, a collaboration of elected officials and housing advocates, brought attention to the most egregious violators. Now the group is waiting for legislation to close up any ambiguities in the law.

“The city thinks there’s a place for corporate housing,” IHWG member Raskin said. “But our point is not that we want to destroy corporate housing — we want them out of our buildings.”

Tribeca Green has leased apartments to two corporate housing companies. That industry claims to pump roughly $50 million into the local economy, playing a critical role in helping support companies doing business in New York City,” said Lee Curtis, president of the Corporate Housing Providers Association.

9/11 bond deal

The Related Companies borrowed $2.5 billion in Liberty Bonds from the New York State Housing Finance Agency, but FHA spokesperson Tiffany Bisnai could not say whether Tribeca Green’s extended-stay occupants violated the 2003 bond deal.

“It’s not a black-and-white issue, these are long-term occupants,” replied Related’s Joanna Rose. “The way that our leasing work is that you can only have two turnovers a year. So this is certainly not, in any way, shape or form, a hotel-type situation.”