



Private dancer, p. 23

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## **As tourists fill illegal hotels, residents told to check out**

**BY CHRIS LOMBARDI**

This month, Chelsea resident Maryanne Marinac finally found out why she wasn't getting her mail. The notice from the U.S. Postal Service was terse and specific: "The Postal Service cannot provide mailbox delivery to the Marriott ExecuStay at 160 W. 24th St." Why? Because, the note explained carefully, Marinac and her husband were living in a hotel.

The Postal Service, noting an "ExecuStay" company Web site advertising "short stays" and daily rates, said 42 percent of her building's recent tenants had filed change-of-address requests.

Marinac wasn't surprised. She had known for years that her landlords were running an illegal hotel. She'd tried to fight it, only to be told, in the notice,

*Continued on page 5*

# Illegal hotel conversions are forcing out residents

Continued from page 1

that "the documents and violations you submitted from the NYC Department of Buildings also corroborates the transiency of the building."

On Sun., Feb. 11, Marinac took to the streets for a rally to announce new legislation to crack down on the proliferation of illegal hotels. She marched with 100 other tenants, advocates and elected officials from all over Manhattan, climbed 79th St. from Riverside Drive and converged on the Imperial Court Hotel, an Upper West Side single-room-occupancy building used as an illegal hotel.

Some carried purple umbrellas, others bright-red baseball caps that said "WEST SIDE NEIGHBORS," as they chanted: "Peace and quiet — not a Hyatt!"

Manhattan Borough President Scott Stringer was blunt.

"This is the largest scam ever," he said, calling illegal hotels "a scam against the people who make this city — the tenants who are being pushed out. And if we don't do something, get ready for the new homeless."

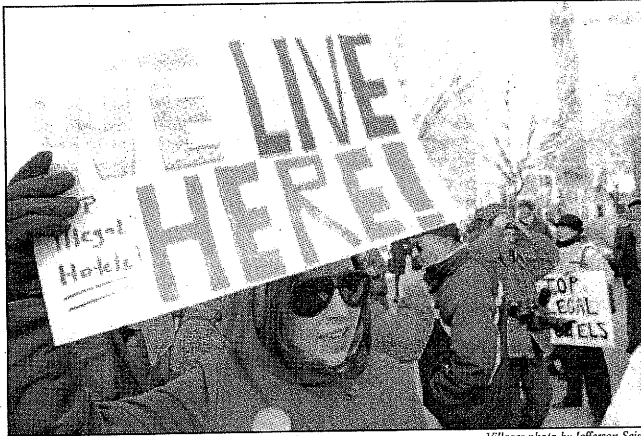
The rally was called by the Illegal Hotels Working Group, a coalition of legislators and housing advocates, to address this growing problem, which is especially acute in "hot" neighborhoods, like Chelsea and Hell's Kitchen. The group estimates that hundreds of thousands of units, many of them rent stabilized, are lost each year to illegal hotel rentals, and that current light penalties enable the companies that own the buildings to flout the laws with impunity.

The new legislation, developed in close consultation with city agencies and the Mayor's Office, "would tighten the loopholes and give city agencies the authority to enforce the rent laws. Tourism officials worry about tourists' safety and their image of New York hotels, while tenants hope they don't have to keep fighting expensive legal battles alone.

State Assemblymember Richard Gottfried, whose district includes Chelsea, has been "inundated with calls from constituents from places where this is going on," he told The Villager.

Tenants report being woken up at all hours by tourists looking for their keys, coming in with luggage, knocking on their door when they get the wrong room — and of being driven out of their buildings by landlord harassment, especially in rent-stabilized apartments. Other legislators, especially Upper West Side City Councilmember Gale Brewer and East Side State Senator Liz Krueger, also report illegal nightly rentals in market-rate and even luxury buildings.

With apartment vacancy rates in Manhattan at less than 1 percent, New York is arguably still in the "housing emergency" declared when New York passed the rent-stabilization laws more than 30 years ago. But the coverage of those laws is weakening, with evermore buildings at risk of being removed from or leaving rent-subsidy programs, and rental buildings being converted to co-ops and condominiums. Meanwhile, with 44 million visitors last year, New York City registered 23 million unique hotel visits; it has more than 75,000 hotel rooms at 85 percent occupancy. Visitors are usually thrilled to find a room at "only" \$99 a night — the



Villager photo by Jefferson Seigel

A protester at the anti-illegal hotel rally this month made her feelings known.

low end of what is advertised on Web sites like Woogo.com.

Nightly rentals, then, can be far more profitable for landlords than even market-rate apartments, or even a one-time condo sale.

The Illegal Hotels Working Group, formed last summer, also pulled in the Department of Buildings and the Mayor's Office of Special Enforcement. In a statement issued last week, the city's criminal justice coordinator, John Feinblatt, stated: "Attacking illegal hotels involves aggressive enforcement and untangling a patchwork of legislation that gives rise to their creation."

Together, the working group, Buildings and Office of Special Enforcement found loopholes that make it easier for the hotels to operate — current fines allowable by law, from \$400 to \$2,500, are easily absorbed as the "cost of doing business" — and they began to create their bill, to be introduced in Albany next week.

"This is a problem, and the law isn't helpful," said Jason Post, a Mayor's Office of Special Enforcement spokesperson.

Feinblatt's statement added: "We are crafting a comprehensive legislative package that will prevent this unsafe and unfair practice while allowing legitimate corporate hotel businesses to flourish."

The bill, still being finalized, would prohibit the daily rental of rent-controlled and rent-stabilized apartments; allow city inspectors to enforce rent-stabilization and rent-control laws; strengthen the legal definition of "residential" use by explicitly limiting the power to sign a lease to individuals and some nonprofit corporations; and ensure that fines on landlords for illegal use are assessed per day, compounding daily for each illegal room rental.

Tourists and corporate travelers often find the illegal hotels on the Internet — on edgy and now-controversial sites like Woogo.com, and more established networks like Orbitz.com and Expedia.com — and book rooms for anywhere between \$90 and \$500 a night, far above the rent of even most luxury studios, let alone the rates being paid by current rent-stabilized tenants. NYC & Company, a private nonprofit organization that functions as the city's official tourism agency and includes 200 New York hotels among its 1,800 member businesses, also joined the Illegal Hotels Working Group. NYC

& Company concerns about New York's image worldwide, along with travelers' safety: Residential buildings often don't meet the standards for fire escapes and safety lights that bona fide hotels do. NYC & Company would rather that tourists go to their Web site to book a member hotel than trust even the national travel Web sites.

The latter could lead you to Maryanne Marinac's building on 24th St. — across

*"This is the largest scam ever."*

*Scott Stringer,  
Manhattan borough president*

from the Chelsea Whole Foods Market — whose blue awning proclaims "Marriott ExecuStay Apartments." Marinac has folders full of listings from Expedia.com, Travelocity.com and tripadvisors.com — the same sites that convinced the Postal Service to start delivering the mail in an open bag to her doorman, a standard practice for hotels.

But Marinac's 50-year-old building is zoned only for Class A residential apart-

ments: Even its garage is officially for tenants only. Its 2006 application to convert floors 1 through 3 to hotel rooms was flatly denied by the Department of Buildings, which had already fined the landlords more than \$5,000 for "illegal hotel use" of the building.

Marinac, a flight attendant with a major airline, says that when she and her husband, Tiho, an executive with a national candy company, moved into the building in 2000, the tenants were "just regular people, like me." But about four years ago, she added, things started to change, right around the time she became pregnant with her son, Brando.

Gradually, she said, many of the rooms were remodeled into hotel rooms with new blue carpeting and swipe cards instead of keys.

"I don't know my neighbors anymore... but when I see a deadbolt, then I can assume it's a real person," she said.

Many of her neighbors accepted money to move out, she said, while others were sent spurious bills over and over — "rent we don't owe, or charging us for repairs they don't even do." The Marinacs have run up thousands in legal bills challenging eviction on similar grounds, but they stay because, otherwise, they know that in today's overheated market, they would never be able to live in New York City, let alone the Chelsea they now call home.

The Marinacs are hardly the only local residents affected.

Hortense Bermudez, a tiny, fiery woman who also attended the rally on Feb. 11, defied her 67 years with a smart green coat and vivid red lipstick. She has been living at 455 W. 34th St. for 37 years.

"This is my only home," Bermudez said just as the rally began. Most of her neighbors, she said, are much older, and some don't understand what's going on.

When she moved in, there were 127 apartments, all rent-stabilized. Now, most floors have been converted to luxury suites, said Bermudez, "often with the super and his wife providing maid service."

Bermudez tries to help the tourists who have inundated her building, she said, even as she fights to stay in her apartment. Last month, she said, she had to fly home early from her mother's funeral in Puerto Rico to show up in court and fight off yet another effort to evict her. She won, but she wonders how many more times she will have to do this.

## Bogus hotels in Village and Soho

BY BROOKE EDWARDS

Based on residents' complaints, Housing Conservation Coordinators, a tenant-advocacy group, has compiled a list of 94 suspected illegal hotels scattered throughout Manhattan. Ten of these are in the Village and Soho areas alone, and four of them belong to Signature Properties NY.

Complaints have been registered for Signature Properties' "Suites" at 9 Minetta St., at 55 Morton St. and at 118 Spring St.

But Signature's most notorious suspect is at 160 Bleecker St. Complaints were made to the Buildings Department as early as 2004 that rooms there were being rented on a nightly basis. The prop-

erty now has 13 active complaints on file for everything from illegal conversion of apartments into hotel units to maid carts blocking exits.

The Villager called Signature Suites Tuesday afternoon and asked if any rooms were available at their Bleecker St. location for the weekend. A reservationist agreed to rent a studio apartment for Friday and Saturday at a rate of \$169 per night.

Another property under investigation is The Chelsmore at 205 W. 15th St. D.O.B. has one active complaint on file for this location for operating as a hotel. A Web site for the property advertises nightly rates of \$120, though it states that a six-night minimum is required.