

# STUYVESANT TOWN - PETER COOPER VILLAGE TENANTS ASSOCIATION

*A Volunteer Staffed Organization Working to Preserve an Affordable Community*

## Founded -1971

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## Frequently Asked Questions

### From Stuyvesant Town and Peter Cooper Village Tenants Regarding the *Roberts v. Tishman Speyer (J-51)* Decision

#### **Q. What did the Court of Appeals decide last week?**

**A.** The Court of Appeals, in 4-2 decision ruled that Tishman Speyer and its predecessor, Met Life, improperly deregulated apartments because they were contemporaneously receiving the J-51 tax abatement from the city.

#### **Q. Can Tishman Speyer appeal this decision?**

**A.** No, Tishman Speyer cannot appeal the Court of Appeals' decision because it was decided by New York State's highest court. The case now gets remanded to the trial court for an assessment of damages.

#### **Q. I'm a market rate tenant — Am I going to get a check for retroactive rent overcharges?**

**A.** You may recall that as of April 1, 2009, an escrow account was created to hold the difference between a legal, rent-stabilized rent and the "market" rent that tenants have been paying. Our attorneys take the view that this money should be distributed back to tenants as soon as possible and certainly by the time the retroactivity issue is resolved. In addition, they believe that we have a strong argument that tenants are entitled to rent rollbacks, and rent overcharges back to 2003.

#### **Q. What is the timeline for a decision from the lower court?**

**A.** The precise timeline is not known at this time. Our attorneys hope to resolve issues pertaining to the escrow, but the question whether damages will be awarded for past rent overcharges could take anything from a few weeks to a few months, although the actual timing will ultimately depend on the Court.

#### **Q. I am a market rate tenant — Will my rent get rolled back?**

**A.** Maybe. It depends on whether your current legal rent stabilized rent is below your current market lease rent. For most market rate tenants, though not all, the answer is "yes."

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**Q. I am a rent-stabilized tenant, and my rent is well below \$2,000. How does this decision impact me?**

**A.** Legally, this decision does not affect you at all – only market rate tenants are a member of the Class since their apartments were deregulated illegally. You continue to remain rent-stabilized.

**Q. I am a rent-stabilized tenant. My rent is getting close to \$2,000 and I earn over \$175,000 – In light of the decision, can they deregulate my apartment?**

**A.** No, they cannot. Your apartment is receiving a J-51 tax abatement, and the Court of Appeals ruled that a landlord cannot deregulate apartments that are receiving that benefit. Your apartment should remain rent stabilized at least until 2020, which is when the J-51 benefit expires, unless there is an intervening change in the Rent Stabilization Law.

**Q. I am a market-rate tenant. In light of the decision, should I continue to pay my rent?**

**A.** Yes. Continue to pay your rent until you are notified otherwise. You have an obligation to do so under the terms of your lease. To the extent that Tishman Speyer continues to overcharge you, we will work to ensure that this amount is returned to you via the judicial process.

**Q. If I am a market-rate tenant in Stuyvesant Town or Peter Cooper, should I file a rent overcharge claim with the DHCR?**

**A.** According to our attorneys, you should not. If you file with the DHCR, you run the risk of waiving your right to participate in the Class.

**Q. Will there be a foreclosure or bankruptcy on the property?**

**A.** Maybe. The entity that owns Peter Cooper and Stuyvesant Town has been losing money for quite some time, and even before this decision, reports indicated that the debt service reserves will be depleted by the end of December.

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**Q. What would a foreclosure or bankruptcy mean for maintenance on the property?**

**A.** It is a concern, and our elected officials have been advocating for more attention to services on the property. Lack of maintenance is perhaps the biggest risk in a foreclosure or bankruptcy.

**Q. If I am entitled to damages, would that be affected by a bankruptcy or foreclosure?**

**A.** Our attorneys believe you would still be entitled to damages and that legal claims for rent overcharges would become the obligation of any future owner of the property.

**Q. Will the tenants make a bid to buy the property? If so, will I have an opportunity to buy my apartment?**

**A.** Maybe. The Tenants Association and our local elected representatives are looking for “the right partner” who will act benevolently toward tenants, ensure proper maintenance, and protect the historic configuration of the property. Unlike the situation in 2006, however, the property is not publicly up for sale.

**Q. What are the implications if the rent stabilization law is not renewed in 2011?**

**A.** If the rent stabilization law is not renewed, it will expire, and all rent stabilized apartments City-wide will become subject to market rates when the then-current leases come up for renewal.

**Q. I am a market-rate tenant. What do I do if my lease is up?**

**A.** You are legally entitled to a lease renewal, at a rate that is consistent with rent-stabilized increases. If you have specific questions about the appropriate level of increases, you should contact Wolf Haldenstein, the law firm that argued the Roberts action, by sending an email to Michael Liskow at [liskow@whafh.com](mailto:liskow@whafh.com) or, if you do not have access to email, by calling him at (212) 545-4600.

**Q. What’s the next step?**

**A.** Our attorneys will take the appropriate action to ensure the maximum damages are recovered in the New York State Supreme Court, unless some sort of amicable settlement is reached.

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**Q. Do I have to do anything to benefit from any damages? If so, what?**

**A.** Not yet. Our attorneys will notify you about any actions that members of the Class should take.

**Q. I just moved in. Does this ruling affect me?**

**A.** Yes. You moved in as a market-rate tenant, and this decision impacts you. You may be entitled to damages, but perhaps less than others, and not if you are paying less than or equal to the legal stabilized rent.

**Q. I live in a one-bedroom apartment, and want to move to a two-bedroom. Is there a waitlist for apartments?**

**A.** Tishman Speyer is maintaining a list of current and prospective tenants interested in an apartment. They have not yet revealed their policies for any “wait lists.” You should call (212) 614-5836 for more information.

**Q. I used to live in Stuyvesant Town/Peter Cooper Village in a market rate apartment, but have moved out. Am I a part of the class?**

**A.** Residents of Stuyvesant Town/Peter Cooper Village who no longer live on the property, but did between 2003 and today, may be eligible members of the class, but only if they paid market rents that were higher than the legal rent stabilized rate. Be sure to email the attorneys at Wolf Haldenstein at [liskow@whafh.com](mailto:liskow@whafh.com) to ensure they have your current information.

**Q. I am a market-rate tenant. I understand that my apartment is now rent-stabilized – What does it mean for my rights as a tenant?**

**A.** Our attorneys believe that rent stabilization rights, such as a tenant’s right to a lease renewal, succession rights and the right to sublet will apply to tenants currently living in “market rate” apartments for the duration of the J51 tax benefit.

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