



NEW YORK STATE SENATOR

Liz Krueger

Senator Krueger & Assembly Member Gottfried Team-Up to Pass Illegal Hotels Legislation

LIZ KRUEGER July 2, 2010

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Katie Kincaid | kincaid.nysenate@gmail.com | 646-784-0485

(New York, NY) Tenants and tourists in New York City would be protected by a new law that will make it clear that operating a residential apartment as a transient hotel is illegal in New York City. The bill (S.6873/A.10008), sponsored by State Senator Liz Krueger and Assembly Member Richard N. Gottfried, will put an end to the rampant spread of illegal hotels by clarifying ambiguities in State and City laws which made it impossible for government agencies to effectively crack down on offenders and protect residents. The legislation passed the Senate late last week, and was approved by the Assembly on Thursday. It now goes to Governor David Paterson to be signed into law.

“The proliferation of illegal hotel operations has removed thousands of apartments from an already tight housing market, disrupted the lives of the permanent residents who live in the buildings, and decreased the City’s tax base,” said Senator Liz Krueger. “Furthermore, because illegal hotels do not comply with the local building, fire, and housing codes that are required for buildings zoned for transient occupants, they pose a serious threat to public safety.”

Landlords rent apartments as hotel rooms to get more money than the rent laws allow, or to empty out a building for a co-op or condo conversion.

“It can be a real nightmare when the apartment next door is occupied by one transient after another,” said Assembly Member Gottfried. “You have strangers coming and going at all hours, with noise, disruption, and real safety concerns. For years, my office has received countless complaints from tenants living in residential buildings that are being used as hotels.”

“We are excited that the legislature has passed this important bill that will protect tenants, tourists and our affordable housing stock from the dangerous threat of illegal hotels,” said Jackie Del Valle, of the Housing Conservation Coordinators. “Having an illegal hotel in your building, whether it’s one or 20, is unsafe for the tenants who live there.”

New York City residents have not been the only victims of illegal hotels. Because the internet has made it easier than ever to advertise illegal hotels, most tourists have no idea they have not made reservations at legitimate hotels until they arrive at their destination. Such deception ruins many visitors’ experiences and harms New York City’s reputation as a tourist-friendly city.

While New York City agencies under the leadership of Mayor Bloomberg have worked hard to crack down on illegal hotels, a recent Appellate Division court decision has been crippling that effort. The court decision ruled that the transient use of a residential building is permissible if less than half of the units are being used for transient uses. Senator Krueger and Assembly Member Gottfried’s bill makes it clear that all “Class A multiple dwelling” units may only be used for permanent residence purposes, which is defined as occupancy by a person or household for 30 consecutive days or longer.

The bill contains appropriate exceptions for roommates, boarders, etc. who live or rent in the unit with the permanent occupants, or while the permanent occupants are temporarily absent and nothing is being paid. The bill would also give a small number of buildings that have historically operated as hotels prior to the enactment of the Multiple Dwelling Law, or were legally operating as hotels under the pre-1961 zoning, time to comply with relevant building codes for transient use.

“This is a real win-win for New York City residents and visitors,” explained Senator Krueger. “Residents will no longer see their apartment buildings overrun by transient tourists and visitors will no longer have to worry about arriving to find that their ‘hotel’ is actually an apartment building.”

“Tenants, housing advocates, City agencies, and elected officials have worked hard to combat illegal hotels since we first began hearing about them,” Gottfried added. “This bill is an example of what can be accomplished when a diverse group comes together to solve a real problem.”

The bill is supported by Mayor Michael Bloomberg, Manhattan Borough President Scott Stringer and the Manhattan Borough Board, Housing Conservation Coordinators, Goddard-Riverside West Side SRO Law Project, the Association for Neighborhood and Housing Development, West Side Neighborhood Alliance, the Hotel Association of New York City, and the Hotel and Motel Trades Council.