



NEW YORK STATE SENATOR

Liz Krueger

Governor Signs Illegal Hotels Bill to Protect Residents, Increase Apartment Availability

LIZ KRUEGER July 26, 2010

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Contact: Katie Kincaid - kincaid.nysenate@gmail.com - (646) 784-0485

(New York, NY) Tenants and tourists in New York City will be protected by a new law that makes 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. Governor Paterson signed the bill into law today.

“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.”

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.

“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.”

“We are excited that the Legislature passed this important bill and that Governor Paterson has now signed it into law to 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 new law 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 new law will 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.

“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 new law is an example of what can be accomplished when a diverse group comes together to solve a real problem.”

“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.”

The bill is supported by Mayor Michael Bloomberg, City Council Speaker Christine Quinn, 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, Housing Here and Now, the Metropolitan Council on Housing, Tenants & Neighbors, the Hotel Association of New York City, the New York Hotel and Motel Trades Council, and the Queens Civic Congress.