

Harassment Is Focus of Chinatown Tenants' Suit

By Jennifer 8. Lee

A group of Chinatown residents filed a lawsuit against a New York private equity group on Tuesday in Manhattan, under a recently passed law that allows tenants to sue landlords in Housing Court for using threats and other forms of harassment to force them out. The case is one of the first formal exercises of the new protections of the Tenant Protection Act, which the City Council passed overwhelmingly last March.

The residents live at 55 and 61 Delancey Streets, which is owned by Madison Capital — not to be confused with Madison Capital Management, which also works in the same field, and various other Madison Capitals across the country that are not involved in housing.

The complaint says the harassment by the landlord includes disrupting three tenant meetings by calling the police; rejecting rent payments; frivolously pursuing legal eviction proceedings; suspending essential services for a prolonged period of time; and ordering tenants to remove Chinese cultural symbols and decorations from their doors.

“The general consensus was that people were tired of the harassments that were coming from the landlord and wanted to take action to put a stop to it,” Garrett Wright, a staff lawyer with the Urban Justice Center who is working on behalf of the tenants.

In a statement, a lawyer for Madison Capital, Candace Sela, said: “Madison Capital faithfully serves the interests of its tenants throughout New York City. Madison Capital strives to provide the highest level of service and attention to all of its properties and respective tenants.”

On its Web site, Madison Capital said its strategy is “based upon taking advantage of market and property inefficiencies in order to capture untapped value through property development, rehabilitation, repositioning, releasing, proactive management and creative problem solving.”

Madison Capital bought the two buildings in April for just under \$20 million, after CAAAV: Organizing Asian Communities (also known as Committee

Against Anti-Asian Violence) organized the tenants in 2007 and negotiated a rent abatement, repairs, and end to forced evictions. The subsidiary that owns both properties is Madison 55 Delancey Realty, and two of its employees, Jason Enters and Jared Minatelli, are both named in the suit.

Ms. Sela said that since the acquisition of the properties, “over \$550,000 has been spent on extensive common area renovations, repairs and security. Madison’s goal is to provide a clean and safe environment to all of its tenants who call the property home.”

She also said, “Although the actions of some tenants are regrettable and meritless, Madison Capital will continue to assess and address the needs of each and every tenant.”

According to the Buildings Department’s online complaint tracking system, tenants at 61 Delancey Street have complained of no heat or hot water, collapsing ceilings and rats. The tenants at 55 Delaney have made similar maintenance complaints.

In addition, the lawsuit said that police have been come to three tenant meetings, although they took no action. Also listed is a complaint that the landlords refused to take a rent check from a wife and started eviction proceedings against the husband, even though the couple presented their marriage certificate. The tenants also said that the landlord would only provide two keys to the building’s front door, though in some cases teenage children live with two adults.

As the New York housing market has heated up over the last few years, tenant advocates have said that harassment has increased as landlord try to force tenants out and raise rents — in part to pay for expensive financing they used to buy the properties. Charges of harassment and frivolous lawsuits have been raised in large complexes like Stuyvesant Town and Peter Cooper Village, as well as small apartment buildings in the other boroughs.

The law was passed in response, but in August, the Rent Stabilization Association, which represents 25,000 property managers and owners, challenged the bill in court, claiming in a lawsuit that the Council has no authority to alter the provisions of the city’s housing code.

The law allows a judge to impose civil penalties from \$1,000 to \$5,000. While the financial penalties are relatively modest, the Chinatown tenants hope that the publicity from the legal action will cause the landlords to cease their harassment.

“One of the things we want is that there is increased attention to them,” Mr. Wright said.

Previously, the city’s Housing Maintenance Code had not classified harassment as a violation, so tenants were restricted in taking landlords to Housing Court for problems with services or the physical condition of units. Harassment charges were previously under the jurisdiction of New York State’s Division of Housing and Community Renewal.

This is a new tool to add to tenants arsenal.

“Housing court judges are in a particularly well-suited position to address harassment raised by tenants,” Mr. Wright said. “I think it presents good opportunity too for collective action. You can have an entire building stand together.”