



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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CHRISTINE BERTHET
Chair

Jesse R. Bodine
District Manager

March 10, 2015

Gale A. Brewer
Manhattan Borough President
1 Centre Street, 19th floor south
New York, NY 10007

Dear Borough President Brewer:

Manhattan Community Board 4 (CB4) is pleased to support the borough-wide resolution (enclosed) calling for greater oversight and enforcement to protect our permanent housing stock from illegal hotel use. As you are well aware, Community District 4 is in the epicenter of illegal use; its protracted use over the past decade has steadily eroded the community district's affordable housing supply and encouraged displacement of its rent-regulated tenants.

We also have seen the positive impact of increased enforcement by the Mayor's Office of Special Enforcement (OSE) as three of the recent court filings were for buildings in our district. The active presence of inspectors from the multi-agency Task Force and pro-active litigation against the most egregious violators by OSE, including the recent filings against the owners of 440 West 41 Street and 334-336 West 46th Street located in CD4 and 5 West 31 Street, 59 5th Avenue, and 15-19 West 55 Street located just east in CB5, help us tremendously in protecting the quality of life for tenants, the safety and security of tenants and tourists alike and the permanency of our housing stock.

CB4 would like to thank you for your tireless efforts to fight illegal use and protect our permanent housing. We therefore would also support efforts to call on booking sites like Airbnb, VRBO, Hotels.com etc. to act as good corporate citizens and self-police the listings on its site. By eliminating listings that violate the NYS and NYC laws they not only protect our housing stock, but also their users who actively comply with the local laws.

Thank you once again for your assistance combatting the illegal hotel problem in our community.

Sincerely,

Christine Berthet
Chair


Joe Restuccia
Co-Chair
Housing, Health and
Human Services Committee

[Signed 3/10/2015]
Barbara Davis
Co-Chair
Housing, Health and
Human Services Committee

enclosure

WHEREAS, New York City suffers from a shortage of affordable housing and is in a legislatively imposed housing emergency; and

WHEREAS, Manhattan community boards have always considered the preservation and development of affordable housing a top priority; and

WHEREAS, illegal hotels are apartment and Single Room Occupancy (SRO) units in permanent residential buildings legally required to be occupied for thirty days or longer that are used as transient hotels; and

WHEREAS, short-term illegal hotel use has plagued the Clinton and Chelsea communities for over a decade; and

WHEREAS, illegal hotels take available apartments from an already tight housing market, and disrupt the lives of the residents who live in the building and the community; and

WHEREAS, illegal hotels leads to the rapid deregulation of permanent affordable housing in our community, provides incentives for landlords to harass tenants out of their homes, and drives up rents in the surrounding area; and

WHEREAS, co-op shareholders and condo owners who rent their units for short-term use contrary to their proprietary lease and by-laws also risk legal action; and

WHEREAS, illegal hotels create fire safety and security risks for residents and unsuspecting tourists because they do not conform to the more stringent safety regulations for hotels set forth in the New York City Fire Codes, such as fire sprinklers and secondary egress; and

WHEREAS, illegal hotels create public nuisances and quality of life issues for residents living in the buildings, including noise, overcrowding, unusual wear and tear on the building,

WHEREAS, most illegal hotels fail to meet Federal, State and City accessibility requirements for people with disabilities; and

WHEREAS, many tourists are deceived into booking an illegal hotel because they are unaware that the buildings in which they are staying are built for permanent residential use and do not meet the stringent commercial hotel fire-safety codes; and

WHEREAS, illegal hotels change the fabric of our communities, including the loss of small business owners who rely on permanent residents living in the community are priced out; and

WHEREAS, with the advent and proliferation of online platforms including, but not limited to, Airbnb, VRBO, One Fine Stay, and Home Away over the past few years has exponentially increased illegal hotels in New York City and our community further exacerbating the housing crisis; and

WHEREAS, the New York State Attorney General Eric Schneidermann's report dated October X, 2014 on its investigation into Airbnb stated that 72% of Airbnb rentals are illegal and that the

number of unique units booked for private short-term rental on Airbnb rose from 2,652 in 2010 to 16,483 in the first five months of 2014; and

WHEREAS, the Attorney General also reported that Airbnb has 13,000 listings in Manhattan alone; and

WHEREAS, Manhattan has a total of 750,000 co-op, condo and rental units; and

WHEREAS, based on these facts, Airbnb utilizes 1.74% of Manhattan's available housing stock for short-term illegal rentals, which is greater than Manhattan's vacancy rate of 1.54%, and

WHEREAS, the Attorney General also reports that commercial uses dominate the short term rental business, with 6% of the "hosts" collecting 37% of the revenue; and

WHEREAS, enforcement of illegal hotel activity is carried out by the Mayor's Office of Special Enforcement, which operates a joint task force comprised of specially trained inspectors from New York City agencies, including Department of Buildings, Department of Finance, Police Department, Fire Department, and Department of Health; and

WHEREAS, a shortage of inspectors who respond to illegal short term use complaints contributes to a delay of more than one month between a complaint being filed and an inspection being conducted; and

THEREFORE, BE IT FURTHER RESOLVED that the New York City Council and Mayor de Blasio allocate increased funding to the Mayor's Office of Special Enforcement to increase their ability to enforce the laws that prohibit illegal hotels.