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Legal Aid Files Lawsuit Against State, City, and Landlords to Stop Illegal Apartment Conversions that are Putting Rent-Stabilized Tenants at Risk of Displacement

(NEW YORK, NY) - The Legal Aid Society filed a <u>lawsuit</u> against the New York City Department of Buildings (DOB), the New York State Department of Homes and Community Renewal (DHCR), and individual landlords William Yang, Xiang Yang, and Jane Yang, seeking to <u>stop illegal apartment layout alterations</u> initiated by the landlords, which are threatening to displace long-term rent-stabilized tenants.

The tenants at 475 43rd Street (AKA 4228 5th Street) in Brooklyn were temporarily displaced from their apartments after a fire ravaged their rent-stabilized building on November 3, 2021. While the tenants were displaced, the landlords submitted plans to change the layouts of the units – reducing the number of bedrooms and living spaces for families and children – directly to the DOB, violating the law by circumventing the legal approval process.

Per New York's Rent Stabilization Code, landlords are required to obtain approval to reconfigure apartment spaces from DHCR, which oversees the local rent-stabilized housing stock in New York City. Therefore, when DOB accepted the landlords' submitted plans and issued permits, without any approval from DHCR, they violate the Rent Stabilization Laws and Code.

"Our clients and their families are facing permanent displacement from their homes and communities because these unscrupulous landlords are exploiting a loophole that could easily be corrected if DHCR and the DOB merely coordinated with one another," said **Nell Hirschmann-Levy, supervising attorney with the Housing Justice Unit – Group Advocacy at The Legal Aid Society**. "It is reprehensible that these agencies have not addressed or attempted to end this egregious practice on their own. We look forward to fighting on behalf of our clients in court."

The lawsuit, filed in New York State Supreme Court, seeks to annul and vacate the DOB's approval and issuance of permits for the landlords' plans to reconfigure the units, and stop the landlords from submitting plans that alter the apartments without DHCR approval.

The complaint also seeks systemic changes to end the DOB's policy and practice of approving plans to alter and/or reconfigure rent-stabilized apartments without approval by DHCR and to direct the DOB to implement procedures that prevent the agency from approving plans without prior DHCR approval going forward.

Background on 475 43rd Street (AKA 4228 5th Avenue), Brooklyn, NY:

Legal Aid represents four of seven tenants from 475 43rd Street (AKA 4228 5th Avenue) in Brooklyn. Last November, there was a fire in the building and the DOB subsequently issued a vacate order.

In December, tenants filed an HP <u>petition</u> to compel the landlord to address deplorable building conditions and the court ordered the landlord to correct the conditions that led to the vacate order on or before March 31, 2022. To date, the vacate order has not been lifted and the tenants have not been restored to their apartments.

While the tenants have been displaced, the landlord filed plans with the DOB to change the layouts of the apartments and in February 2022, the DOB issued the requested permits for work at the building. These layout changes have not been approved by DHCR.

The tenants were never notified that the owner sought to modify the layout of their apartments. After discovering the February 2022 permits, Legal Aid submitted a FOIL request for the plans and drawings underlying the permit applications. The DOB responded to the FOIL request on April 21, 2022, which showed significant changes to the layouts of the tenant's apartments.

Legal Aid then filed an Order to Show Cause, which was signed on May 9, 2022, enjoining the landlord from materially changing the layout or size of the apartments from the size and layout in existence on November 3, 2021.

After this order was issued, the landlord filed revised plans on May 24, 2022 that appeared to correct the reduction in the number of bedrooms, but added a second bathroom to the tenants' apartments and changed the location of the kitchens and bedrooms in two of the apartments. The tenants do not want the second bathroom as it reduces bedroom space.

In court, during arguments of the motion, the landlord's attorney declared for the first time that the second bathrooms had already been installed. If true, the landlord clearly engaged in illegal construction. The landlord's attorney claimed that the second bathrooms were installed in the apartments prior to the May 9th Court Order; however, the landlord did not submit the plans that included a second bathroom until May 24th. As such, any construction that included installing a second bathroom before May 24th would have been unlawful (as it was not approved by either DOB or DHCR).

Moreover, when the landlord submitted the May 24th plans, they did so in violation of the judge's May 9th Order, which enjoined the landlord from altering the layouts of the apartments pending the judge's decision.

If the DOB had merely communicated with DHCR when they first received the landlord's request to change the layouts of the apartments, they would have known that the apartment reconfiguration plans were never approved by DHCR, and work permits for the building should never have been issued in the first place.

On September 24, 2022, Legal Aid filed a lawsuit to stop the illegal apartment conversions and end this practice once and for all.

The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. www.legalaidnyc.org