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**Elected Officials and Affordable Housing Advocates Continue to Push for
Tougher Penalties on Bad Acting Landlords Operating Illegal Hotels**

*As Hundreds Rally for Stronger Actions Against Illegal Hotels, Housing Committee Holds
Hearing on Legislative Package To Crack Down on Illegal Operators*

New York -- On Friday, October 30 the City Council Committee on Housing and Buildings held a hearing on a package of legislative proposals aimed at strengthening New York City's enforcement against illegal hotels. The hearing followed a large demonstration of over 100 activists and New Yorkers impacted by illegal hotels who rallied in support of efforts by the City Council to rein in illegal operators. Airbnb currently lists over 27,000 residential units for transient hotel use and a report published by the New York State Attorney General analyzing Airbnb bookings in New York City from January 1, 2010 through June 2, 2014, found that nearly 75 percent of Airbnb's listings were in violation of state law.

Council Members Rosenthal, Rodriguez and Levine are each the sponsor of bills that would respectively, stiffen penalties for anyone operating an illegal hotel, increase transparency on enforcement of illegal conversions of dwelling units, and clarify the rights of tenants in a situation where their building owner violates the certificate of occupancy.

"Illegal hotels pose a serious threat to our housing stock and those who live in buildings with a revolving door of suitcases. Our current fines are too low to deter illegal hotel operators, some of whom made millions in the last year alone. By increasing fines for illegal hotels, getting a

violation will no longer be the cost of doing business. This bill will aid our efforts to preserve housing in New York City," said **Council member Helen Rosenthal**

"Since 2009 almost 21,000 units have been converted from resident housing to illegally operating hotels. This clearly makes the case that the City needs to increase penalties to increase our deterrent response and gain clarity as to the effectiveness of those penalties. I am proud to work closely with Council members Rosenthal and Levine to work on legislation that will assuredly cause a slow down if not reversal in the number of illegally operating hotels," said **Council Member Ydanis Rodriguez**.

"AirBnb continues to fight for unscrupulous landlords who have turned apartments once occupied by permanent tenants into illegal hotels. Increasing penalties for illegal operators and ensuring legal tenants know their rights is a necessary deterrent to preserve more of the city's supply of affordable housing. I'm proud to join Council Members Rosenthal and Rodriguez as well a broad coalition of elected officials and activists who are ready to stop those whose illegal behavior destabilize our neighborhoods and drive up rent costs," said **Council Member Mark Levine**.

The 2015 Airbnb NYC Housing Report shows that in Airbnb's top 20 zip codes in NYC, the percent of potential units removed from the market by Airbnb averaged almost 15%, topping out at 28.14% in the East Village. Data from Inside Airbnb has found that in New York City, AirBnb hosts with multiple listings (HMLs) account for almost one-third of NYC listings, a number far greater than the 10% reported by Airbnb.

Additionally, Illegal hotels pose safety risks to tourists and other tenants because the key or key code to the front door of a residential building gets distributed to a large number of strangers, and they lack the stringent safety requirements of legally registered hotels, including a map of the emergency exit route on the back of the front door of the unit. As a result, quality of life issues are frequently reported from tenants living in buildings where there are illegal conversions.

Earlier this year, the City Council partnered with Mayor Bill de Blasio to allocate an additional \$1.2 million to fund 17 additional staff members to the Office of Special Enforcement (OSE), the agency that responds to 311 complaints of illegal hotel activity with inspectors from the Department of Buildings, Fire Department, and the Finance Department. OSE will have a total budget of \$2.8 million and 28 staff members in FY16. The additional funding also supports a database administrator, who can target the most egregious offenders of the law, and four staff attorneys and a paralegal, who can pursue more legal actions against the worst offenders

The latest legislative efforts in the City Council came into focus at today's Housing Committee hearing. Intro 826, sponsored by Council Member Rosenthal, increases civil penalties for illegal conversions of permanent residences and creates an deterrent against repeat offenders.

Intro 823, sponsored by Council Member Rodriguez, increases transparency in Department of Buildings reporting on illegal conversions of dwelling units. It requires the Department of Buildings to submit an annual report by September 1st each year to the Council on the illegal conversions of dwelling units, which include the number of illegal conversion complaints received, the number of illegal conversion inspections conducted, the number of violations

issued for illegal conversions and the amount of civil penalties assessed and collected for such violations. This legislation will also help track repeat offenders.

Intro 788 sponsored by Council Member Levine, amends the rights and responsibilities guide for tenants and owners, published by HPD, "The ABCs of Housing," to include information regarding a tenant's obligation to pay rent in cases where the owner is found to be violating the building's certificate of occupancy, creating illegal hotels.

"When residential apartments are used as illegal hotel rooms, it worsens our housing shortage, and it also undermines New Yorkers' basic ability to feel secure and at home in their apartments," said **Manhattan Borough President Gale A. Brewer**, sponsor of Local Law 45 of 2011, legislation that set the current fines for illegal hotel activity in New York City. "Manhattanites already put up with a lot - we live on top of each other in the heart of one of the world's most expensive cities. The City Council has both the right and the responsibility to protect New Yorkers' housing stock and quality of life, and I will continue to work with my colleagues in the Council to protect Manhattan residents' homes."

"Illegal hotels are drain on affordable housing, a threat to public safety, and an attack on the quality of life of tenants. We must continue to address this serious problem," said **Congressman Jerrold Nadler**. "The bills introduced by Council Members Rosenthal, Rodriguez and Levine will help protect tenants and visitors from landlords who engage in this practice and create an effective deterrent for these illegal businesses."

Assembly Member Richard N. Gottfried (D-WFP, Manhattan) said, "I strongly support Intro. 826, which increases the penalties for violating the illegal hotel laws. In 2010 I sponsored the illegal hotel law in the state Assembly. It protects building residents and visitors by clearly prohibiting the short term rental of apartments. But some landlords, tenants, and co-op and condo owners continue to break the law. We need to increase the civil penalties and make them so high that they're not just a cost of doing an illegal business."

"Illegal hotels have become a huge problem in my district, especially in Williamsburg, where illegal listings of entire apartments make up over 20% of the rental market. This only makes our affordable housing crisis worse by decreasing access to housing opportunities and increasing rents. These bills will help us address this issue by holding the bad actors accountable," said **Council Member Antonio Reynoso**.

"Illegal hotels, short-term rentals, and websites like Airbnb, has generated problems for rent regulated tenants, landlords, and hotels in New York City. I am pleased to see that the City Council is taking up legislation to curb these actions that harm our communities," said **Assemblymember Deborah Glick**.

"The growing popularity of websites that offer short term rentals has created another nexus where the incentives of landlords' profits and preservation of affordable housing butt heads. The proposed legislation, Int. 286, 283, and 788, must be passed to bolster the existing laws that deter landlords from illegally converting apartments into hotels. These amendments aim to protect tenants and our city's affordable housing stock, while keeping unlawful landlords accountable," said **Sadia Rahman, supervising attorney at the Community Development Project of the Urban Justice Center**.

"Affordable housing and homelessness is the single largest crisis facing New York City. We therefore welcome initiatives, such as those proposed by Council Members Levine, Rodriguez and Rosenthal to help combat the growing illegal hotel problem which, for more than a decade, has steadily eroded our affordable housing stock. Intro 826 effectively targets the flagrant operators who are cited for repeatedly using apartments or buildings for illegal short term rentals while Intros 823 and 788 bring greater transparency and provide for necessary tenant education," said **Sarah Desmond, Executive Director, Housing Conservation Coordinators, Inc.**

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