



## NEW YORK CITY LOFT BOARD

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TO: Owners and Tenants of Interim Multiple Dwellings (“IMD’s”)  
FROM: Marc Rauch, Chairperson, New York City Loft Board  
Dianne Dixon, Executive Director, New York City Loft Board  
DATE: July, 2005

### MEMO TO THE LOFT COMMUNITY

We’re back! The administration of Mayor Michael R. Bloomberg is completing an ambitious program to revamp and revitalize the New York City Loft Board. The changes taking place will impact owners and tenants alike.

The results so far, as well as the policies and programs to expect going forward, are summarized below.

#### Loft Board Makeover

The Bloomberg Administration has reconstituted the Board’s membership. Seven of the eight members are serving for the first time. A diverse group of lawyers and artists, bankers, community activists and government officials, they are united by a common goal: prompt legalization of all remaining IMD buildings.

The Executive Director and two of the three division heads are newly appointed.

For the first time in years all three divisions of the Loft Board, most notably including the Enforcement Division, are fully staffed.

In March 2005 the Loft Board moved its headquarters to modern, efficient office space at 100 Gold Street.

## New in 2005

Since January:

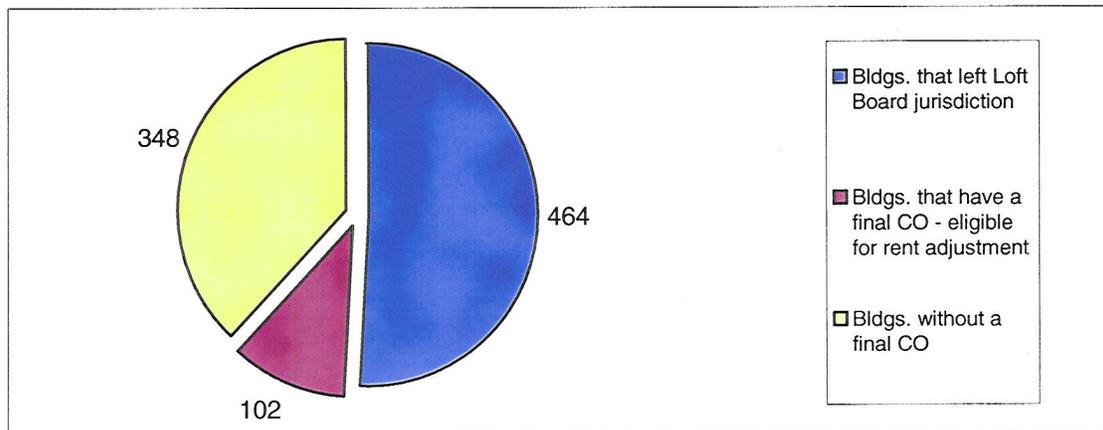
- ☑ The owners of 31 buildings have furnished final certificates of occupancy.
- ☑ An additional 26 buildings have completed the legalization process and left the jurisdiction of the Loft Board.
- ☑ More than 50 building owners have been called in to demonstrate, with full documentation, that they are taking all reasonable and necessary steps to legalize their buildings.
- ☑ 70 enforcement proceedings have been commenced against building owners who failed to pay annual registration fees.
- ☑ More than \$60,000 in fines has been collected from owners who failed to meet legalization deadlines. The Enforcement Division is reviewing the status of every remaining building and is preparing new enforcement cases against owners who have failed to meet legalization deadlines.

## A Word to Owners

As shown on the chart below, 464 buildings, or more than half of the 914 buildings originally under the Board's jurisdiction, have fulfilled their obligations and left the jurisdiction of the Loft Board.

Another 102 buildings have obtained their certificates of occupancy and are eligible for a final rent adjustment order that will remove them from the Loft Board's jurisdiction.

The 348 remaining owners who still do not have certificates of occupancy will be the principal focus of the Board's efforts going forward.



Failure to legalize costs money and time.

Every owner who fails to legalize forgoes interim rent increases, totaling 20% percent, provided by the Loft Law for owners who get their work done. Every owner who fails to obtain a final rent order forgoes annual or biennial rent increases for their IMD units.

In June, 2004 the Loft Board doubled the owners' annual registration fee for IMD units, from \$50 to \$100 per unit. As should be apparent from the chart above, further increases in registration fees may become necessary as the operations of the Loft Board – mandated by statute -- must be supported by an ever-smaller group of IMD building owners who still have failed to legalize.

Finally, owners who continue to fail to legalize should anticipate being called to the Loft Board for in-depth compliance interviews, commencement of enforcement proceedings, fines, collection of fines and having to spend money on lawyers -- all of this instead of more productive activities that would increase the value of their properties.

### **A Word to IMD Tenants**

Every IMD tenant is entitled to the benefits of the Loft Law, specifically a safe, code compliant loft residence. Any tenant who believes that the owner of his or her building is not taking all necessary and reasonable actions to obtain a certificate of occupancy, as required by the Loft Law, should file an application to commence a non-compliance proceeding or should contact the Loft Board for help.

All IMD tenants should give full cooperation to owners who are making good faith efforts to legalize. Any tenant who fails to grant access to an owner seeking to do legalization work and who has satisfied the requirements of the Loft Board's Rules, should anticipate that the owner will file an application to commence an access proceeding. In appropriate circumstances, such a proceeding can result in imposition of costs and penalties.

### **The Outlook – And More Changes Ahead**

The deadline for achieving compliance with the fire and safety protection standards set forth in Article 7-B of the Multiple Dwellings Law is effectively May 1, 2006. The deadline for obtaining a final certificate of occupancy as a Class A multiple dwelling is effectively May 31, 2006. These deadlines should provide plenty of time for most of the remaining IMD owners to achieve final certificates of occupancy.

Owners should note that the Loft Board has preliminarily approved changes to its Rules concerning applications for extensions of legalization deadlines. Upon final approval of the change after a public hearing, an owner will no longer be permitted to file retroactively for extension of an already missed deadline. Any such applications will have to be filed prior to expiration of the applicable deadline.

### **Did You Know?**

#### **Department of Buildings (DOB) Expedites C of O's**

The Manhattan DOB's Open Application and Issuance of Certificate of Occupancy – Pilot Initiative has been extended to February 28, 2006. The “Open Application” program is designed to make it easier to obtain a C of O. Under the program, DOB will consider issuing a final C of O, notwithstanding that a building still has certain applications open. To apply, call Richard Rosen of the Manhattan DOB Borough Commissioner's Office at (212) 566-3300.

#### **What to Do After Obtaining a Final C of O**

After obtaining a final certificate of occupancy an owner must file a Notice of RGB Increase form. This will entitle the owner to rent increases which have accrued during the legalization process based on Rent Guidelines Board percentages. An owner also may apply for a rent adjustment based on the reasonable and necessary costs actually incurred during legalization. However, the application for this rent adjustment must be filed within nine months of obtaining the certificate of occupancy or the owner will be deemed to have waived it.

Upon completion of the RGB review process, the Loft Board will commence a proceeding to remove the building from its jurisdiction.

### **We Want to Hear From You**

We intend to bring all remaining IMD buildings up to standards as soon as possible, thus completing the legalization project begun when the Loft Law was enacted 23 years ago. We want to work with you, and we would like to hear from you.

Please contact us with your thoughts, questions and any needs for assistance. Our Public Information Officer, Michelle Shepherd, can be reached at (212) 788-7610. She will direct your call as appropriate.