

Suit accuses big Harlem landlord of wrongful rent hikes

By Theresa Agovino

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A group of tenants at Lenox Terrace filed a lawsuit against the apartment complex's ownership, a partnership lead by the Olnick Organization, alleging the landlord illegally raised rents at the six-building Harlem complex, which houses, among others, Gov. David Paterson and Congressman Charles Rangel.

The landlord could owe tenants a total of anywhere between \$400,000 and \$6 million, according to lawyer David Hershey-Webb of Himmelstein McConnell Gribben Donoghue & Joseph, which filed the suit along with Emery Celli Brinckerhoff & Abady. The two law firms have also filed a suit against the owners of London Terrace in Chelsea, which alleges tenants have also been overcharged there.

Mr. Rangel's apartments are believed to still be rent-regulated, which means they are not expected to be affected by any suit.

The lawsuits stem from last year's ruling by the New York State Appeals Court, which said the owners of Stuyvesant Town/Peter Cooper Village could not deregulate rents while receiving what are known as J-51 tax benefits, which are given for making certain building upgrades.

Some experts have expected a flood of lawsuits by tenants in the wake of the Stuy-Town decision, but they have yet to materialize. Lawyers have said that some tenants don't realize they are entitled to rebates, while others are still waiting to see how the situation at Stuy-Town works out.

Mr. Hershey-Webb estimates that between 200 and 300 units of the 1,700 apartments in at Lenox Terrace complex have been illegally deregulated and that individual tenants would be entitled to anywhere from \$2,000 to \$30,000. He said that two of the buildings are still receiving J-51 tax breaks, but the benefit expired in the other four in 2008. The receptionist answering the phone at the Olnick Organization said there was no one available to talk to the press.