



(Above: Bronx Legal Services Staff Attorney Ian Davie and tenants at Tuesday's press

conference)

December 3, 2013, Bronx, New York” **Public Advocate-elect Letitia James**, representatives from the offices of **Council Members Maria del Carmen Arroyo and Diana Reyna**, and tenants from eight buildings across New York City gathered this afternoon for a press conference outside 755 Jackson Ave in the Bronx to demand that Stabilis Capital Management transfer various buildings to city-approved preservation developers. The tenants and their elected officials were joined by the **Urban Homesteading Assistance Board (UHAB)** and **Legal Services NYC (LSNYC)**.

Press coverage: DNAinfo.com

Stabilis Capital Management (Stabilis), a private equity company which holds the mortgages on, or owns, the eight deteriorating buildings, has been acquiring distressed debt on multifamily buildings in foreclosure across the City. Tenants residing in the buildings, many of whom are elderly or disabled, have struggled to endure hazardous, substandard living conditions because Stabilis has neglected to complete repairs or assist with court orders to address housing code violations.

“I am incredibly concerned not just for the safety of the families in these buildings, but for tenants throughout New York City who find themselves facing deplorable housing conditions as winter sets in,” said **Public Advocate-elect Letitia James**. “We will continue to fight to ensure that residents are not the victims of such dangerous lending practices.”

Conditions at 755 Jackson Avenue have declined dramatically since Stabilis took ownership in June of this year. Residents suffer from lead paint contamination, asbestos exposure, rodent infestations, and chronic water leaks. In October, the stairwell collapsed, injuring two tenants. The New York City Department of Housing Preservation and Development (HPD) has identified 221 open code violations, an astounding number for an 11-unit building. The building is in such poor condition that it has been placed into HPD’s Alternative Enforcement Program, which is reserved for the 200 most distressed and hazardous buildings in New York City. Tenants plan to advocate for Harry DiRienzo of Banana Kelly to be appointed as an administrator to manage the building.

The announcement came the same day that tenants at 836 Faile Street, also in the Bronx, filed a motion in Bronx Supreme Court demanding that Stabilis provide funds to complete repairs in their building. Stabilis purchased that 36-unit Hunts Point building’s mortgage in March 2012; the building currently has 138 code violations.

“These buildings exhibit the worst effects of predatory equity in New York City,” said **Ian Davie**, an attorney with **Legal Services NYC-Bronx**. “Stabilis manages over \$500 million in investments, but somehow continues to ignore and evade common standards of decency, to the detriment of all New Yorkers. These brave tenants are taking a stand to protect their families and maintain their right to live in safe homes.”

“It is horrible that my young children and I have had to contend with rat infestations, mold contamination, water leaks, and spotty heat and hot water during the winter,” said **Joanna Paulino**, a longtime tenant at 836 Faile Street. “Nobody should have to live with these conditions for one day, let alone the months and years that we have endured. We are ready to put a stop to this.”

The Bronx tenants were joined by tenants from other buildings who have experienced the detrimental effects of Stabilis’s lack of management. Stabilis also purchased the mortgages on a 36-unit Queens portfolio in February 2012 — 1821 and 1894 Cornelia Street, 18-14 Linden Street, and 1673, 1675 and 1726 Woodbine Street — which currently list a total of 380 code violations. Tenants fear that if Stabilis continues its involvement as a lender or landlord, it will continue to neglect and mismanage the buildings until they become uninhabitable. These tenants have appeared in bankruptcy court to hold Stabilis accountable, with the assistance of **Queens Legal Services (a program of Legal Services NYC)** and **Cleary Gottlieb Steen & Hamilton LLP**.

Tenants in all eight Stabilis buildings face serious health concerns, including cancer, asthma, and injuries caused by falling staircases. Those health problems are exacerbated by their living conditions. The tenants are working with responsible developers who are interested in preserving the properties and are attempting to negotiate with Stabilis. They hope that Stabilis will sell the debt or the buildings to these preservation developers, who would prioritize the health and safety of residents.

“This isn’t investment, this is disinvestment and it harms New York City,” said **Kerri White**, Director of Organizing and Policy at **UHAB**. “Stabilis should stop this destructive “business” model and transfer these buildings to a responsible developer who can maintain them and keep them affordable for the families who call them home. We’re standing here today “ tenants, advocates, and elected officials “ to reiterate that we cannot continue to permit this predatory behavior to exist in our city.”

“For the past 12 years, I have seen too many unscrupulous and predatory real estate investments severely undermine the livelihoods of working families throughout New York City,” said **Council Member Diana Reyna**. “Stabilis Capital Management must understand that we won’t accept more predatory speculation of land in our communities. I urge Stabilis to consider a bid from a non-profit developer that will ensure the affordability of the properties in question and provide security to the current tenants.”

"The residents of these buildings deserve better," said **Assemblyman Marcos A. Crespo**. “No individual or corporations financial interest should depend on the suffering of children and families in our community. Stabilis must allow a preservation developer to take over as soon as possible and complete much needed repairs."

"There shouldn't be a place in our community for neglectful landlords," said **Assemblyman Eric Stevenson**.

For more information, contact: Â Â

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