

ALDERMEN STRIKE AT RENT GOUGERS

Pass Ordinance to License Lessees and Thus End Rings Which Bleed Tenants.

ABUSE OF LEASES IS SHOWN

Landlord Accused of Trying to Evict Families Who Complained of Exorbitant Rent.

An ordinance which, according to Nathan Hirsch, Chairman of the Mayor's Committee on Rent Profiteering, will be effective in breaking up the "rings of lessees who have conspired to bleed tenants already paying abnormal rents," was passed by the Board of Aldermen and reached Mayor Hylan late yesterday. It was said that the Mayor would sign it and that it would go into effect Jan. 1. The new measure, which was introduced by Alderman Palitz, provides for the licensing of all lessees. The Mayor's Committee believes the lessees are responsible for a large part of the profiteering in rents, the favorite method being to lease and sublease and resublease among the various members of a family, each new transaction being accompanied by another rise in rent.

The Palitz ordinance, as passed yesterday stripped of its technical provisions, is as follows:

Sec. 178—Definition:

A person, corporation, or partnership who or which leases a tenement in the City of New York having three or more dwelling apartments and subleases any portion or part of the said tenement to three or more persons shall be deemed to be a lessee of tenements intended within the terms of this ordinance.

Sec. 179—Qualifications:

The Commissioner of Licenses, with the approval of the Tenement House Commissioner of the City of New York, shall license, in his discretion, such lessees of tenements as shall have complied with the rules and regulations laid down by the Board of Aldermen, and, further, any such rules and regulations to be subject at all times to amendment by the Board of Aldermen. The annual license fee for such tenement lessees shall be \$25, and \$10 additional for each additional tenement the said lessee may lease.

Each tenement lessee in the City of New York shall on or before Jan. 1 of each year procure a license in accordance with the provisions heretofore stated.

The Commissioner of Licenses, after hearing, shall have power to suspend or revoke at any time any license granted in accordance with this article. Any person, firm, or corporation whose license has been revoked shall be ineligible to procure a new license for at least three years from the date of the revocation of said license by the Commissioner.

The purpose and effect of the measure was explained yesterday by Chairman Hirsch, who has fathered the measure from its inception several months ago.

"It has a two-fold purpose," he said. "First, it will enable those who are affected by the gouging of rent profiteers to determine who is the owner of the property and how often the leased premises have been transferred, with the sole purpose each time or piecing the tenants after they have already been bled white. In the second place, it will act as a deterrent to the leasing of premises among relatives or friends, when such transfer has behind it no other intent than to provide an excuse for the raising of the rent.

"Only the other day we had an example of just this sort of thing. When the case came up before us, we found that a mother had the day before leased an apartment to her son who had just attained his majority. In celebration of the event, she raised the rents 10 per cent. With the help of the new ordinance we shall be able to establish a conspiracy among relatives and friends, and will prevent such conspiracies from being entered into. Heretofore, while it has been necessary to record actual transfers of property, the recording of a lease has been optional with the lessee, and it is from the lessees, or the 'leasers,' as the tenants call them, that we have had the most trouble."

While the ordinance was being passed by the Board of Aldermen a hearing was being held in the offices of the Mayor's Committee at which, according to Captain Charles A. Goldsmith, Chief Examiner of the Committee, was revealed one of the "most glaring cases of an attempt on the part of the landlord to wreak vengeance upon a tenant for having complained to the committee because of an excessive increase in rent." The Captain declared that the Concord Estates Corporation, owning apartments at 604-610 Concord Avenue, was clearly using the dispossess warrant as a means of seeking revenge for having been prevented from obtaining the rise in rent which it had originally asked.

Captain Goldsmith explained the case of the Concord Estates Corporation, of which David Schaefer is President, as one that is typical of those in which the landlord has revenge upon tenants who have, with the help of the Mayor's Committee, succeeded in preventing an excessive rise in rent.

"A settlement with the company was brought about some time ago," he said, "through which the landlord agreed to accept the original rent upon apartments the rents of which it was sought to boost from \$25 to \$41 within a year. There were forty tenants involved. Now the landlord is attempting, through holdover proceedings, to eject the very three tenants who made the original complaint to the committee. He declares that the tenants are undesirable to him, but will not specify in what that undesirability consists, and insists that he does not have to specify."

While the Captain was making this explanation, Moses H. Rothstein of 13 Nassau Street, counsel for the owner, interrupted to say that the owner would be willing to allow two of these families to stay, but would insist upon the removal of Max Liebert. This tenant, according to the Captain, was the foremost among those who lodged complaint.