

IMPORTANT NEWS BULLETIN REGARDING THE J-51 LAW SUIT

Dear Tenants:

There has been a significant change in the status of the J-51 case.

On September 27, Judge Friedman issued two interim decisions about the J-51 case. Both will be posted on the IPNTA web site, www.ipnta.org this weekend.

In summary, Judge Friedman decided that she cannot make a decision about the impact of J-51 on IPN's rent levels. She wants to receive more factual information about the circumstances under which the benefits were received and ended. It is the plaintiffs' position that since the previous owner received J-51 benefits before and the new owners received J-51 benefits after leaving the rent regulated Mitchell Lama program in June 2004 they are obligated under J-51 rules to charge rent regulated rents to all tenants living here at that time as well as to first occupants of previously Mitchell-Lama regulated apartments. The landlord says that J-51 benefits received after exiting the Mitchell Lama program were received by mistake. The landlord says that since the city retroactively removed any tax credits granted under J-51 after IPN left the Mitchell Lama program, J-51 rules regarding rent regulation do not apply to IPN.

Judge Friedman wants the facts supporting these two points of view to be further developed. She has given us her permission to subpoena documents from the NYC Dept. of Finance and HPD also to take deposition testimony about it of City officials.

Finally, she decided that free market tenant/plaintiffs in the J-51 case may not be evicted and that their rents may be increased as if their apartments were rent stabilized. In addition, the law suit by tenants who lived here before the landlord exited the Mitchell-Lama program is amended to include the J-51 claims.

Judge Friedman has scheduled a discovery conference in court on October 4.

Things probably won't move fast. We'll keep you posted.

– Exec.Board & Transition committee