

DAILY NEWS

Tenants shown the door

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The owner of a former Mitchell-Lama building in Brooklyn is evicting all his tenants, uprooting people who have lived in the 42 apartments for decades.

The clearing of the converted Mason Mints Candy factory at 20 Henry St. in Brooklyn Heights is the first-ever total eviction of a building under the nearly 50-year-old state Mitchell-Lama program.

"It's just totally devastating to be stripped of a life that you created for 20 years," said Joanie Keel, 50, who moved to Fort Lee, N.J., last week with her husband and daughter.

Controversy often surrounds taking buildings out of Mitchell-Lama, a program created in 1955 to provide apartments at below-market rents for families of modest incomes. The mass eviction at 20 Henry St. underscores tenants' fears about the conversions.

To date, 20 of the city's 155 Mitchell-Lama developments have left the program. The trend - stoked by large profits available to developers who convert the buildings - is adding to concerns about a shortage of middle-class housing in the city.

With applications pending to remove 5,165 units from Mitchell-Lama, those fears are likely to intensify.

No renting allowed

In most conversions, owners offer long-term tenants the chance to continue renting or to buy their apartments. At 20 Henry St., the principal owner, Charles Herzka, offered neither, booting everybody out instead.

Tenants filed a lawsuit last year seeking to keep their apartments at rent-stabilized rates. They lost, but are appealing.

"We feel that we have been misled. I've been in the building almost 28 years," said Karen Zebulon, head of the tenants association.

People started moving out last week. By August, when the last lease expires, they will all be gone

"We own the property," said Howard Hornstein, a lawyer for Herzka, who recently bought the building from longtime owner Edward Penson.

"We're going to determine how we're going to act with it after the Appellate Division rules on the case," Hornstein added, declining to comment further. Calls to Herzka's office were not returned.

Mitchell-Lama gave developers tax breaks and low-interest mortgages in exchange for charging below-market rents. Owners can leave the program after 20 years if they pay off the mortgage - freeing them to raise rents or sell the units.

Most of program's here

The program still covers about 100,000 apartments statewide, most of them in New York City or its suburbs.

At Independence Plaza, three 40-story towers in Tribeca, tenants are in tense talks with new owner Larry Gluck. They fear skyrocketing rents and mass evictions. Gluck spokesman Marty McLaughlin says he plans neither.

At the Ruppert Yorkville Towers on the upper East Side, tenants filed a lawsuit and delayed rent hikes. In a settlement, they won the right to buy their apartments at a 30% discount. More than 800 people purchased their units this year at prices ranging from about \$200,000 to \$700,000.

The city Housing Preservation and Development Department approved taking 20 Henry St. out of Mitchell-Lama in June. Department spokeswoman Carol Abrams said the agency studied options for the tenants, including a buy option.

However, Abrams said, "The owner never indicated that he was interested in selling the building to the tenants, and the city has no legal mechanism to compel such a sale."

Tenants pay between \$600 and \$1,100 per month, according to Anita Karl, 62, whose lease runs out in August. Those rents are below market rate for fashionable Brooklyn Heights and nearby DUMBO, where loft studios command about \$2,000 a month.