

Lepers at the City Gate

Single Room Occupancy and the Housing Crisis

Andy Merrifield

IT'S A SULTRY July morning; I am sitting on a low wall outside a three-story brownstone on West 120th Street, a stone's throw away from Mount Morris Park, in Harlem. Four workmen, covered in dust and dirt, are coming and going, throwing debris and masonry onto a nearby dumpster, bantering with each other and disappearing into a gutted building, number seventeen. From my perch, I can hear drilling and banging inside. Overhead, there's a lamppost adorned with a banner welcoming me to "Mount Morris Historic District," a patch bound by Lenox Avenue to the west, 124th Street to the north, 119th Street to the south, and Mount Morris Park West to the east. (The park, which interrupts Fifth Avenue for a five-block stretch and is dominated by a craggy outcrop of rocks, was renamed Marcus Garvey Park in 1973, in honor of the Jamaican black nationalist.) My eyes follow a uniform row of red brick and terra-cotta houses, most built around 1890, grand in their day; many are now burnt-out shells, boarded up and abandoned. Wire fences seal several off; knee-high weeds and accumulated litter make everything feel forlorn and menacing. I watch a disheveled African-American man, with two loaded bags, emerge from one ruin across the street.

As I ponder the scene and look more closely at the fine detail, I notice amid the wreckage and dereliction that a few structures actually look healthy. They have fine wooden shutters in their windows, renovated façades, recent paint jobs, and window boxes bearing fresh flowers. These new rehabs look quite delightful; they are the telltale signs of change in the air, a revival of sorts in Harlem, where, after years of neglect, properties are miraculously

being spruced up, money is flowing in after decades of flowing out, and middle-class people, are returning. And, to cap it all, five blocks to the north, Starbucks, the Gap, and Disney have set up shop.

I am early for an appointment with number seventeen's last tenant. It's amazing that somebody is still there, living in what looks like rubble. The workmen are unperturbed as I walk into the premises and go up the stairs in semi-darkness. The air is thick with dust and I feel it catch my throat. At the top, a diminutive African-American woman, Mary Osborne, greets me, shakes my hand cheerily, and ushers me into a second-floor room. It's barely twelve feet by twelve feet, though the tall ceilings make it feel less claustrophobic. It's filled with her modest possessions: a small television, a radio, a refrigerator, clothes stacked up on a single bed, all covered with plastic wrapping—"to protect everything from water leaks and the mess," Osborne laments. In one corner there's a cheap bookshelf, upon which I spot Alex Haley's *Roots*, a biography of Malcolm X, several Bibles, a bulky biography of Queen Elizabeth II, and, curiously, a paperback by a certain Donald Trump.

Osborne has a mop of black curly hair, with only a couple of gray strands. She's fifty-four, yet looks ten years younger. She moved to New York at the age of seven and worked once—that was before getting sick. Now she draws public assistance and represents a beleaguered and endangered species in the city. She's a single-room-occupancy (SRO) tenant, somebody who isn't gaining during these boom times, nor is she ever likely to. If anything, Osborne and her ilk are directly threatened by today's thriving economy and buoyant real estate sector.

"I've been here since 1993," she tells me. "I was living at 121st Street until the old owner died and the new one started tearing everything

down around me." The owner wanted Osborne out of the single room. At first, Osborne refused to budge. Then the owner started "doing harassment." Osborne didn't want trouble, so she gave in and fled. "I wasn't really happy, but a neighborhood friend of mine found me this room. There was nothing better." But after number seventeen's owner died, things started to deteriorate. The latest landlord had big plans for his Harlem property. He would renovate the eleven units, knocking down adjoining walls on every floor, combining rooms, installing new toilets and kitchens, transforming dingy rooms into plush one- and two-bedroom apartments, with rents beginning at \$2,000 per month. All tenants—Osborne, a middle-aged African-American man, and three Ecuadoran families—had to vacate, immediately. "It was a Sunday evening, around seven thirty, last October. No warning, no letter, no nothing, just 'boom, boom, boom!' at the door." Osborne was given a week's notice. Seemingly overnight, the other tenants disappeared. Now she is alone. She feels like "the last leaf on a lonely tree. I hope that if the wind blows me off, it blows me off to a special place." Recently, Osborne met one of her former neighbors shopping on 125th Street with her little girl. "They said they're in a shelter. I asked them, 'Why did you move?' 'I don't know, don't know,' she answers. They don't understand the court system," Osborne says. "They don't understand their rights."

SRO UNITS are one of New York's most important reserves of affordable housing for single adults on fixed incomes or with limited resources. Manhattan has more than three-quarters of the city's stock, many in large, pre-war apartment hotels. Harlem has the densest concentration, frequently in lower-rise rooming and town houses. SROs date back to World War I, when ex-servicemen with no families to return to found a grubby haven. The stock also provided cheap and safe shelter for single women, struggling artists, and factory workers, or for anybody else who sought the city's bright lights. Residents still, as then, inhabit one room, with meager furniture, usually sharing bathroom and kitchen facilities with fellow occupants along the hall. Through-

out the 1950s, there were around two hundred thousand SRO units in Gotham. During the next three decades, the stock was steadily whittled down. Since the early eighties, decline has been dramatic. As of 1986, only sixty-four thousand units still existed. By 1996, less than forty-seven thousand had withstood the free-market onslaught. Today, it's estimated that fewer than forty thousand survive. Before this decade is done, SROs could well be extinct.

Historically, SRO tenants have had certain rights under New York's Rent Stabilization Code. But there are transiency loopholes, and landlords flout stabilization laws. For example, hotel and rooming house owners can legally charge whatever they want for the first six months of a tenant's occupancy. Thereafter, rent is supposed to be lowered to the stabilized level, and the resident effectively becomes "permanent." Still, in practice, as long as SRO tenants remain ignorant of this law, landlords can—and do—charge what they like. The code, meanwhile, requires that landlords provide a tenant with a Notice of Rights and Duties, a formal contract detailing the precise status of their permanent tenancy and the safeguards protecting them from illegal eviction.

Osborne learned about her rights the hard way. "I'm trying my best to fight for my rights as an SRO tenant," she says, resolutely. "I'm hoping we can work something out, something comparable, because I'm stuck between a rock and a hard place right now." She explains that she gets \$215 per month federal shelter allowance, plus a further \$68 toward her nine kinds of medication. She's hyperglycemic and has hypertension and high cholesterol. She pays \$60 per week for rent, contributing \$25 from her disability income. "I don't really live off anything too much. It's been a harsh struggle."

Since last March, it's been difficult for Osborne to pursue her regular reading regime. "Drilling and banging all night," she says. The workmen are busy around the clock, coming in the morning and leaving practically at dawn, with hardly any respite. She can't sleep. "I can't do nothing. They got paint in the bathtub and the toilet is all blocked up and doesn't flush. They even took the toilet seat away. Now I have to go to the store around the corner where they have a bathroom." In November, many of

Osborne's clothes were damaged by a water leak. The ceiling of her kitchenette, which is about the size of a small closet, caved in after workers labored in the apartment above. There were loud bangs and vibrations, and suddenly, water came gushing through the light fixture, drenching everything. The fire department turned off the water mains and electricity. "Didn't have either all weekend." "There was a rat running around as well," she adds, matter-of-factly, "[that] came in through a hole in the kitchen. He was like a little kitten. So I started walking 'round in boots. I was too scared to even eat or sleep. I could hear him moving like a human being." It was then that she accused her landlord of harassment. Osborne sought guidance from Harlem's Legal Aid Society on 125th Street, which holds a clinic every Tuesday. These days, she says, you have to arrive early to avoid a long wait. The Legal Aid people recommended that Osborne consult the West Side SRO Law Project, a specialized tenant advocacy and advisory organization. Osborne didn't waste time. "They've been very effective at trying to help me."

THE LAW PROJECT occupies a cramped, ground-floor office on Columbus Avenue between 91st and 92nd Streets in a community center. Outside the entrance, there's a large mural painted by neighborhood kids: two out-stretched hands, one yellow, another brown; the fingers just about make contact. The Law Project, says Terry Poe, one of four tenant organizers, was conceived back in 1981 in response to the alarming decline of SROs and the belief that New York's homelessness crisis could be traced to this loss. On the Upper West Side especially, many owners wanted to convert their large SRO buildings into glitzy condos or upscale co-ops. En route, a lot of tenants lost their heating, hot water, and elevator service, or were strong-armed by thugs and intimidated by drug dealers and prostitutes, who, Poe thinks, were recruited to rid buildings of rent stabilized tenants. The community center felt obliged to intervene and, working with local housing associations and other groups, lobbied the city to preserve precious SRO stock. Out of this agitation came the Law Project, funded by the

Department of Housing Preservation and Development (HPD).

Elizabeth Kane, an attorney and the project's director, describes its birth pangs and growing pains. She's adamant in the belief that in the 1970s New York intended to destroy SRO buildings. An amendment to J-51 coding in 1975, for one thing, provided subsidy and tax breaks to any owner or developer who undertook upscale conversion. Ridding the city of SROs, replacing them with higher order uses, seemed to make sense. After all, it brought a lot of money to the city: developers and construction companies hire workers and make healthy profits; landlords reap rewards; communities are usually glad to see scruffy, old, problematical buildings full of problematical people gentrified; and, to top it all, the city claimed that its tax base expanded. "It seemed lovely to everyone," Kane says. "Except for the obvious: if you destroy the housing of your low-income people, where are they to go? In 1981, New York City sort of looked down and said, 'Oh my gosh, we now have this huge homeless population that we didn't have just a few years ago. How did this happen?'" So the city finally began to confront what was already obvious to many. "One of the things we point out to the city every year we go down to City Hall to beg and plead for our funding," Kane says, "is that we're a lot cheaper than homelessness. It costs somewhere around twenty thousand dollars a year to house a single adult in a shelter. This project has been funded at under five hundred thousand a year and prevents a lot of people from becoming homeless. The math is fairly simple: It's a lot more economical to pay us."

Although New York's population grew by 350,000 between 1981 and 1999, it added just 42,000 new rental units. The Reagan administration slashed funding for public housing in the eighties, further exacerbating the situation. With demand far exceeding supply, and with a relatively dwindling stock and low vacancy rate, rents skyrocketed. Since 1975, median rents jumped 33 percent, while median incomes, adjusted for inflation, grew 3 percent. The waiting list for public housing currently tops 130,000 families, and shelters are stretched beyond coping on typical nights. Despite record budget surpluses and eight years of un-

precedented economic expansion and prosperity, nobody seems concerned about building affordable housing. Poe and Kane concur that New York's steady rightward shift makes their life and job tougher. "It's depressing, it's hard, it's draining," Kane told me. "I feel I expend as much energy, both psychologically and physically, dealing with the bleak political atmosphere that we function in as I do providing services for tenants. [New York mayor Rudolph] Giuliani isn't interested in preserving low-income housing. He's not interested in preserving opportunities for low-income people to live in this city." Kane insists that her clients have more difficulty now with immigration issues and with welfare: "They're not able to get the same benefits, not able to get food stamps, not able to switch to Social Security when it's appropriate. All that makes the housing situation more difficult."

Eighteen months ago, the Law Project and the Sixth District's Democratic councilwoman, Ronnie Eldridge, drafted a more definitive tenant protection bill, which, if it had passed, would have compelled the Department of Buildings (DOB) to halt unauthorized construction work, immediately imposing Stop Work orders. But the proposed measure received a lukewarm reaction in official circles and was swiftly canned. Instead, flimsy harassment laws prevail, and savvy landlords and developers with time and money can easily circumvent them. Since 1983, would-be building converters can obtain a work permit only if they've first gotten a Certificate of No Harassment. The latter involves an official inquiry, determining whether they have a record of harassment in the three years prior to their application. If they're clean, they get a green light. "The mechanism," Kane says, "tries to make it not so economically worthwhile for landlords to harass tenants." Nevertheless, landlords with renovation plans can lie low; wait three years; be obliging about maintenance and service provision; even, as some have, give out Christmas gifts—until, of course, they receive the necessary certificate. "The minute landlords get the Certificate of No Harassment and work permit," Kane argues, "they use the construction itself to try to drive out tenants." She thinks the law should be amended to cover at least a five-year stretch,

"and if landlords have a history of harassment elsewhere, this should be taken into account, too." Even when work is carried out illegally, without a permit, it's seldom stopped quickly enough, if it's stopped at all. "A Stop Work order may be issued, but what then?" Kane sighs. "The city doesn't follow up."

ACCORDING TO HPD data, the number of legal building conversions in New York rose from 82 in 1993 to 140 in 1997, affecting 1,683 units as opposed to 568. Figures for shady renovations aren't known, though the West Side Law Project estimates that the number of SRO units illegally converted easily matches the number of legal conversions. Between 1996 and 1997, applications for Certificates of No Harassment grew 40 percent for the city at large and 35 percent for Harlem. Harlem is clearly an untapped reservoir for speculative redevelopment, but it's also a long-standing source of low-income housing. Right now, for 350 or so brownstones in Central Harlem, the tension between these two realities is palpable. These properties (90 percent are likely SROs), face imminent mortgage foreclosure because they're part of a controversial federal loan scheme: the Department of Housing and Urban Development's (HUD) Rehabilitation Mortgage Insurance (Section 203[k]).

In the beginning, the 203(k) program had an honorable intent: to promote home ownership for poor and moderate-income people and help nonprofits in neighborhood restoration. Bankers and financiers provided mortgages of up to \$400,000 toward house purchase and rehab in neighborhoods and for people otherwise deemed risky bets. Under the scheme, HUD simply underwrites all risk. Should the buyer default, the Federal Housing Administration (FHA) steps in, guaranteeing the lender's money, plus all incurred costs. In and around the city, there were 134 such loans made in 1996. In 1998, the number exploded to 1,128. Early on, HUD's auditors smelled a rat, rightly suspecting the program of being "highly vulnerable to waste, fraud, and abuse by investors and non-profit borrowers." As it transpired, appraisers got carried away and persistently over-valued property; nonprofits were

eventually overwhelmed by covert for-profits, while contractors, realtors, and brokers skimmed off exorbitant fees. In a nutshell, the 203(k) program became rich pickings for the wrong sort of people.

The scam now affects Central Harlem, where "mortgage lenders have been aggressively pushing to sell these properties to nonprofits. But what's been typically happening," Terry Poe explains, "is that they've been getting these high mortgages and not putting any money into the building, not doing any rehabilitation. Now, the banks and mortgage companies are foreclosing." Nobody seems to know the true extent of abuse and finagling. Poe worries that this is "a huge scandal," and it "may potentially have a major impact on SROs in Central Harlem." One broker has already sent out a list of 114 properties fresh on the market. "I guess all the mortgage lenders must have gotten together," Poe says, "and hired brokers to try to get rid of the buildings before they're foreclosed on. . . . If the buildings go to auction or a receiver is appointed, it's going to be very serious for the tenants. Either somebody with absolutely no interest in running the building as housing will buy them, milk them, and sell them again. Or somebody will buy them up, try to push the tenants out, renovate them, and sell them for more money." Whatever the case, the 203(k) program has been instrumental in property flips in Harlem, increasing the pace of gentrification. SRO dwellers must now endure its discontents.

The Law Project is bracing for a wholesale emptying out of SRO buildings in Central and Lower Harlem. Just this past year, many more residents with inquiries, grievances, and requests for help—Mary Osborne included—have come in. In response, a blitz organizing and outreach campaign is currently in motion. The project is scrutinizing Certificate of No Harassment applications; assessing trends in Harlem; and pressuring city agencies to prosecute where harassment is ongoing, ensuring that landlords don't find harassment a simple and efficient method to expel low-income dwellers. But with their resources stretched thin, Kane and her staff need to muster broader community support; above all, they need SRO residents themselves to join the effort to halt

the speculation, the demolitions, the emptying outs—to fight for justice.

ON THE Upper West Side, below Harlem, SRO tenants face another enemy. Elizabeth Kane identifies it as an emerging and threatening trend: "Gentrification," she explains, "had slowed down in the 1980s. Now . . . it's not gentrification for people in the city. It's not converting an SRO to serve yuppies with high incomes. Now it's tourism. The tourist boom is the driving force." Indeed, an unprecedented 36.7 million tourists and business travelers flocked to the Big Apple last year, second only to Orlando, Florida, and 11 percent more than the previous year. Fifteen billion dollars were spent at hotels, stores, restaurants, and cultural attractions, which, in turn, generated \$2.9 billion in local, state, and federal tax revenues and provided 275,000 jobs. Guest rooms continue to sell at ultra-high prices: last year's average was \$204 a night, the most expensive in the nation and double what it was a decade ago.

There are downsides to this boom, needless to say. Greater vehicular and pedestrian congestion is one. Another is the danger of over-speculation and over-building, a lesson learned from the slump of the early 1990s, when hoteliers and investors got burned. (But a crash might help SRO tenants by forcing rents down and releasing displacement pressures.) A third, more profound contradiction confronts the city's planners and politicians: New York's extrovert, cosmopolitan nature—open to the world, a magnet for travelers—is increasingly threatening its neighborhood character, its traditional hometown status, its role as a place where ordinary folks eke out a living.

Overlooking Broadway is 222 West 77 Street, a big pre-war apartment building that embodies this latter tension. In a sense, the building's fortunes over the years mirror the changing fortunes of the Upper West Side and New York itself. In 1976, the building, known as the Benjamin Franklin Hotel, was a somewhat shabby and cheap residential hotel, full of single-room occupants, working people who were just about making out. After a while, the SRO became the Broadway American. Today, after a costly facelift and rehab, the old Broad-

way American is the new "On the Ave," a mid-priced, short-stay boutique hotel, with rooms beginning at \$240 per night.

Leah Porter, a sixty-three-year-old white woman, is one of seventy or so remaining SRO tenants at the hotel. She lives in a prim, eighth-floor, oblong room that measures about fifteen feet by eight feet. It's decorated with floral curtains, and her divan bed acts as a sofa by day. As we sip iced tea and talk, Porter's neighbor, Grace Gross, an African-American woman maybe ten years Porter's junior, joins us. "We've had a lot of different owners," Porter tells me. "But when I first moved into the building, one elderly gentleman owned it and you had to be interviewed to make sure that you were respectable and...took care of yourself." She says the neighborhood was frayed and the building shabby—but clean and safe. "It was a little oasis of peace and safety and tranquility. It was a godsend, a lifesaver for me." Back then Porter paid \$36 a week, sold cosmetics, and tried to pick up the pieces of a failed marriage. She pays \$239 per month now, suffers from depression, no longer works, and has received disability assistance and food stamps since 1988.

Gross arrived in 1981 and paid more, but with a steady bank job it was affordable. She still works for a bank and pays \$430 a month. (Her room, I discover later, is bright and attractive, about twice the size of Porter's, full of plants, and has a lovely bird's eye view over Broadway.) "The place was shabby," Gross admits, "but very clean and quiet, and there was always somebody down at the desk. If they didn't know you, they would stop you, ask you who you were and where you were going." "Unfortunately," Porter chips in, "the building started to get run down." After the old owner died, new owners "kept breaking the bathroom windows in the winter. We'd put cardboard up and they'd rip it down. We'd never have heat or hot water," Porter remembers. "It was bleak. They eventually had their license taken away and could no longer operate." In 1980, another landlord took control. "They wanted to sell and wanted us out. They wanted richer people in. But we told them we weren't moving, that we had no place else to go. So they started putting in prostitutes and drug dealers and dangerous people, starting using terror tactics. Amsterdam Avenue wasn't that

safe, neither was Columbus, especially after dark." Porter says things in and around her building weren't very nice. "The point was that it wasn't supposed to be as nice. We were supposed to leave."

As Porter and Gross stayed put, the environment around them became steadily tonier. Up and down Broadway, between 72nd and 112th Streets, former SRO buildings have steadily been picked off. "It was a neighborhood once," Gross reminisces. "Now, it's yuppie-duppie, \$2,000-plus rents. I always felt that when I went outside I was walking with people who were like me, who were just getting the rent check written every month. Now, when you go out you know it's not like that. You feel like you're an outsider. It's so money oriented. If it was before, you didn't feel it. It's another world out there now." Porter and Gross can't hide their nostalgia. "Sometimes," says Porter, "you feel like you're on Fifth Avenue, you can't walk on the streets, they're so crowded. It's become so posh." Being an SRO tenant once meant independence, Porter laments. "It was wonderful. This used to be a residential neighborhood. It was our home and they're taking it away."

Judgment Day arrived at the Broadway American in April 1997, when an ambitious New York real estate investment company, Property Markets Group (PMG), bought the building for \$20 million. Immediately, PMG committed itself to a \$12 million overhaul of the grossly "undercapitalized" property. Citylife Hotel Group, a division of PMG, would run operations and manage the new creation. By the following January, the rehab had begun at the top and was working its way down fast. In early March, it had reached Porter and Gross's floor. "They wanted us to move downstairs. They said they'd give us a larger room with a bathroom."

But Porter and Gross were suspicious. The rooms they were offered faced an alley and were darker. It was really a ploy to edge them out, Porter believes. "Some of our friends on the eighth floor moved. We pleaded with them not to go. Every single one of them since has said, 'We should have listened to you.' It's like it's three different hotels now. There's us, the tourists, and the people downstairs." For two

years, there was often no hot water or heating; the floor was gutted; dust and debris were everywhere; and there was endless thumping and drilling, even on weekends—especially on weekends. Builders blocked up the windows, submerging everything in eerie darkness. “PMG made the construction as loud as possible, as dirty as possible, with as much harassment as possible,” Porter recalls. “They really never thought that the few of us who stayed on would be able to stick it through.” “‘On the Ave,’ yeah, sure,” Gross jokes. “‘On the Verge,’ more like.”

AT THE Broadway American, Elizabeth Kane believes, “They were clearly trying to get tenants out and went about it in a very brutal fashion. Tenants lived through really horrible conditions and didn’t cave. At their request, we initiated a civil suit against the landlord for damages based on the ‘warranty of habitability.’” The case against PMG “is plodding its way very, very slowly through the court system, in part because the landlord would like it to take as long as possible. What will come from that suit we have yet to see. Hopefully, there will be some real compensation.” PMG did actually receive a Certificate of No Harassment for its conversion of On the Ave. Since then, it has become one of Manhattan’s most aggressive hotel converters. At the Commander Hotel, dozens of harassment charges and grievances were filed against the company in early 1998. In fact, these allegations, subsequently substantiated, helped scuttle PMG’s activities at the Allerton Hotel. HPD denied PMG a Certificate of No Harassment in February 1999. Company executives pressed city housing officials to overrule the verdict—unsuccessfully. Now, the hotel management sits out a three-year ban at the Allerton, able only to carry out renovations that don’t alter unit numbers or dramatically reconfigure rooms.

“We can only try to stop the floodgates from opening,” Terry Poe concedes, “[and] force landlords to retain some rooms for permanent residents while they’re allowed to con-

vert others into tourist use.” But, for the foreseeable future, such defensive maneuvering is as good as it gets. Many displaced tenants will doubtless go to live with family or friends, if they have any; some, if they’re lucky, may find alternative cheap housing; many more will likely end up in shelters; and a few will find their way onto the street. One day, Poe and his Law Project colleagues hope for a real political commitment of resources toward affordable, single-person accommodation, probably not SROs, but studio apartments with kitchenettes and bathrooms. For the time being, “we see no commitment. . . to any sort of program that benefits poor, working-class people in this town.”

As I leave the Law Project’s offices, I glance back at that colorful mural, those two almost-clasping hands. Then I remember Mary Osborne, sitting in her little room in Harlem, amid the rubble, wondering where she might go next, thinking about whose hand she might clasp. Something she said lingers with me. She’d cited from her Bible, from 2 Kings, chapter 7, the parable of “lepers at the city gate.” Four leprous men are deliberating. “Why should we sit here until we die? If we decide to go into the city, we shall die there, for there is famine in the city. If we remain here, we shall die too.” Of course, the lepers have really nothing to lose, sort of like Osborne. So they decide to go to the camp of the Aramaeans. “If they spare us, we live; if they kill us, we die.” The lepers can’t know the outcome in advance. As it happens, when the men reach the camp, no one is there. They eat, drink, and clothe themselves. Their activism somehow saved them; it would have saved them even if they had lost. Osborne finds inspiration here: “I, too, am entering the city,” she said. “We SRO tenants are lepers at the gate of Giuliani’s New York. Why should we sit here and die?” ●

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