

There Goes the Neighborhood

Landlord Steve Croman Has Turned Downtown Tenements Upscale, but Not Everyone Is Cheering. On 18th Street, a New Crop of Croman Tenants Is Worried That They're Next.

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When the Voice last visited Steve Croman, the thirtysomething landlord was busy haranguing longtime Little Italy tenants out of their apartments and replacing them with high-paying, quick-turnover renters. Croman's tactics, including badgering phone calls, endless lawsuits, and leaning on already hard-pressed tenants, like a Chinese immigrant who had earned her rent deposit by collecting cans, won him a spot on the Voice's 1998 10 Worst Landlords list. Now Croman has turned his eye uptown to a string of five-story walk-ups on 18th Street near First Avenue that he bought last year. But there the landlord is finding that he must temper his tactics because, unlike with his exploits on Mott and Mulberry streets, the 18th Street tenants are organized and ready for him. In May 1999,

photo: Brian Finke



On the way Uptown: Croman's Web site welcomes visitors to Croman's New York, but tenants say they feel anything but welcome.

Croman and investors paid a reported \$7.5 million for the buildings at 336, 340, and 348 East 18th Street. By June, tenants had posterized the buildings with flyers warning that "the slow and methodical harassment" that was Croman's hallmark downtown refusing rent, challenging succession rights, and pressuring tenants into buyouts had begun to surface. Tenants also complained that Croman had turned vacant apartments into dorms for City University of New York (CUNY) students. By July, tenants had banded together to pay their rent through their association, rather than leave

individuals vulnerable to their new landlord's conniving.

"This is the first time he's walked into a building with a preorganized tenant association," says Harriet Putterman, who has lived in one of the East 18th Street buildings for 36 years. "He'll have a much harder time here than he did on Mott or Mulberry, where, unfortunately, the tenants were not as organized as we are."

To downtown Croman alumni, the point is crucial. Long-term tenants of 280 Mulberry Street, for instance, saw their affordable apartments in the six-story tenement turned into a pricey glass- and exposed-brick home for students, young dot-commers, and Wall Streeters. On Mott Street, former tenants say they were pressured into buyouts and, in one case, stiffed on part of the payment, a charge Croman's lawyer denies.

"It doesn't sound like Steve at all," says Croman attorney Mitchell Kossoff, who responded for the landlord to Voice inquiries. Generally defending his client, Kossoff says Croman "learned his lesson since the last Village Voice article came out. . . . He's been extremely sensitive about not creating a scenario where he could be described as doing anything that's frivolous. . . . Steve's got a compulsive personality, but he's certainly not nasty."

Nasty or not, downtown tenants warn that Croman renters should be wary of their landlord. "The situation here on Mott Street is where it's heading for all Croman buildings," says one Croman tenant at 246 Mott Street, standing amid demolition debris in now vacant apartments that were family

homes before Croman bought the building in 1997. "With Croman, this is the real deal, and long-term tenants had better be ready for it."

In fact, Croman tenants on both sides of 14th Street are contemplating a move that has not been undertaken since "Dracula landlord" Leonard Spodek terrorized Brooklyn tenants in the 1980s: forming a citywide union of Croman tenants. And they've got help from the office of at least one public official, State Senator Tom Duane. "We are working with the tenants throughout all the Croman buildings and organizing them," says Duane staffer Andrew Berman.

Croman's concentration of property along Mott and Mulberry streets—four buildings in a two-block area—has magnified his role in transforming Little Italy into Nolita; in other areas, where his holdings are more scattered, his effect is less obvious. But with his ownership of more than a dozen buildings from Gramercy to Greenwich Village and a brokerage firm that lists many more citywide, Croman's influence on the real estate scene cannot be dismissed. Says Janet Freeman, a Little Italy resident who is not a Croman tenant but who has seen him change her neighborhood from an affordable, stable community into an incubator of trendy, if transient, tenants: "His destruction of neighborhoods is intense."

Croman's very style at turns relentless, then solicitously disturbing. Tenants say they have been as creeped out by his unusually friendly overtures—asking them if they've missed him, for example, and sending holiday packages of chocolates and blue corn tortilla chips via UPS—as by his constant phone calls, especially to immigrant tenants and their English-speaking children. He regularly invites tenants out for coffee, but before the creamer hits the table, they say, Croman has already launched into hardball tactics to get them to move. The first step is usually a chummy buyout offer, typically with a proviso that they tell no one the terms. If the deal is rejected, tenants say, Croman threatens eviction.

"I don't view talking to your tenants and offering money per se as harassment," says Kossoff. "I can see how it can be uncomfortable and be perceived as an inappropriate act, but Steve Croman is not the thing that goes bump in the night. Of all the stuff that I know landlords do in the city of New York, to me that's very far down the spectrum of something that would be loathsome in nature," says Kossoff, a seasoned landlord attorney.

Disruptive as Croman may be to a neighborhood, he is also a quintessentially Gotham phenom. "In some ways, I feel that calling Croman bad is beyond the point," says Bill Obrecht, who lived at 280 Mulberry for more than two decades and who battled Croman for years before accepting a buyout. "It's like saying that cancer is bad. The cells are just doing what they're trained to do. Croman is just one of those guys whose job is simply to make money no matter what. He always seemed a little surprised when I would look at him like he was dirt. But what happened in the neighborhood seems to be very much the normal course of events. People fight as hard as they can, and they get pushed out. It's so New York."

Croman's foray into real estate came just two months after his 24th birthday. In November 1990, he incorporated Croman Real Estate, specializing in downtown apartment sales and rentals. In 1992, he bought a tenement at 221 Mott. By the end of the decade, Croman, now 33, had purchased nearly 20 properties. And while the Croman Real Estate Web [site](#) bids visitors "Welcome to Croman's New York," for many Croman tenants, the last thing they feel in their homes is welcome.

His Mott Street properties illustrate the point. At 234 Mott, Croman's incessant phoning of tenants

resulted in a ban forbidding him from calling them or their families to talk about vacating their apartments; now, such contact must be lawyer-to-lawyer. The 1998 stipulation was brokered by a state housing agency after tenants, mostly Asian immigrants, brought harassment complaints against Croman.

"He'd call you or his staff would call you day and night, at home and at work," says Rosie Wong, a housing organizer "He'd say, 'You know this is a shitty, dangerous building. Why don't you move out?' " Tenants recently renewed the phone ban for two years.

Kossoff says tenants are mistaken if they take Croman's hands-on style for harassment. "His m.o. is not to belittle or badger, and if I were the one serving notices and having discussions with tenants, The Village Voice would never be involved. But the fact that he tries to save some money on legal fees which is really what he's doing and does it himself, he holds himself up to this kind of a microscope."

In an eviction suit pending against a Chinese family at 234 Mott, Kossoff's firm itself was scolded by housing court judges. In September 1998, Judge Margaret Cammer reprimanded the firm for demanding that the tenants' lawyer produce dozens of documents in an attempt to show that the tenants had illegally sublet their apartment. Such demands cannot be made without the judge's permission. Then in November 1999, Judge Michelle Schreiber chastised Croman's lawyers for "inappropriate use of subpoena power" when they sought records regarding the tenants' phone, utility, and bank accounts without the judge's required permission.

Kossoff says that a third judge ruled that the document demand did not merit a sanction. And he says that the question of whether lawyers can issue trial subpoenas is "very hot" now in civil courts. "For whatever Judge Schreiber ruled, I can show you three other decisions that go exactly the opposite way," says Kossoff.

Joshua Goldberg, the tenants' lawyer, says that in this case, Croman is "attempting to take advantage" of tenants whose command of English and the law might be limited. Goldberg calls Croman's 1997 allegations about an illegal sublet "flat-out false," and notes that the landlord abandoned the case by not acting on it for a year, only to file another suit that was essentially the same but charged that the tenants really lived in a Brooklyn home. Kossoff says a deed shows that the tenants owned the home but transferred it to their children after getting legal papers.

Goldberg says the tenants may have helped their children buy the house. "It's not unreasonable for a parent to assist a child," says Goldberg. "The fact that they live on Mott Street is completely corroborated by phone bills, mail, driver's licenses, tax forms."

Late last month, in another Mott Street building, Croman notified an 83-year-old Dominican woman who raised her family in a six-room apartment for at least 30 years that she must vacate by mid May. The woman is charged with illegally subletting the apartment to her son, a grown man who has lived there since childhood.

Croman alleges that the woman no longer lives there, although her son says she does. Even if she had moved out, it would appear that her son has succession rights because he has lived so long in the apartment; in fact, he has gathered school records from 1971 to show his longevity at the apartment.

"He might have succession rights, but that's for a court to decide," says Todd Rose, an attorney representing Croman in this matter. Rose says the tenant "admitted" that his mother lives in Queens. The tenant tells a different story, saying that in an unnerving predawn encounter, Croman

approached him in the hallway. "Your mother lives in Queens, doesn't she?" Croman asked. The tenant, rattled, said yes, though he insists it's not true.

He also denies attorney Kossoff's allegation that he had pressed Croman "for a substantial and extravagant buyout." After the early-morning conversation, the tenant says, Croman suggested he could offer money "and maybe we won't have to go to court." Ultimately, the tenant rejected the buyout offer.

A few floors below is the empty apartment that was once home to the Zenteno family, where Antonio Zenteno was the long-term tenant of record. Clara Zenteno says Croman made good on a contract that offered her father \$10,000 to move out, but stiffed them on an oral agreement for another \$6000 to vacate sooner than the agreement called for.

"There's nothing about that in the agreement," Kossoff says of the \$6000. And he says that neither he nor Croman have heard any complaints from the Zentenos, adding that if the family contacted him or Croman, they would "rectify it. . . . This is a very serious matter for Steve, because he prides himself in his honesty. If someone says they were hoodwinked out of an apartment, that's horrible."

But Clara Zenteno says that's exactly what happened. "Croman used to come over to our old apartment every other week and ask us, 'Why don't you move? It's cramped in here.' " When the family finally did relocate, they say they were shortchanged. "He denies right to our face that he made the offer," says Clara Zenteno, "but he's done his dirty work."

When Croman won the bid on the three 18th Street buildings last May, he knew he'd nabbed a singular deal. Long owned by Beth Israel hospital, the property included 31 vacant apartments spread throughout 73 units. "These don't come along very often," Croman told Crain's New York Business. For New York City landlords, vacant apartments are a bonanza.

The buildings were unusual in another way: Years of dissatisfaction with Beth Israel had prompted the organization of a tenant association. Well-schooled in landlord-tenant law, its members challenged Croman in a way that few downtown tenants had.

"When Steve bought these buildings, he basically inherited the association," says Kossoff. "It did not form as a result of him buying these buildings. . . . And let's be practical: He wants the tenant association to go away. So he wants to do those things that will calm everybody down." Kossoff says Croman has, for example, given long-term tenants leases that were due to them under Beth Israel. "He has dealt with the tenant leaders to make sure that he's been responsive to their repair demands, but unfortunately there is spillover from Beth Israel."

Yes and no, say residents. While tenant Mardy Sitzer agrees that Croman has been "very magnanimous about repairs," she and others say there are problems that have nothing to do with Beth Israel. One is Croman's leasing of vacant apartments as dormitories for CUNY graduate students; Croman has changed about a dozen apartments to make three small, lockable rooms that share a kitchen and bath. Students say they each pay \$715 a month, for a total rent of \$2145.

"It's not that we mind students, but our fear is that we are living in a building that is being turned into a transient situation, when these are our homes," says Sitzer. "There's been no additional security, and there are a lot of copies of keys floating around." But Kossoff says the dorm rooms are an improvement: "They've had wild nurse parties that were a lot worse. These are not just students, they're graduate students."

More troubling, says long-term tenant Harriet Putterman, is the possibility that the rooms are an end run around rent laws. Kossoff says that the apartments were exempt from rent regulation because they housed Beth Israel employees, but Putterman and others say that is not true in every case. "This could be the new kind of polite skirting of the rent rules," says Putterman. "It's not like the '80s, when a landlord would move in drug addicts or criminals to empty out a building, but it's just as insidious. It's the same effect, with a lacier curtain."

Kossoff says Croman intends the school leases to be temporary until he makes the units available for rent, probably at market rates.

While Croman crowed that the largely unoccupied buildings were a good buy, he seems to want even more vacancies. Several renters complain that he has challenged their tenancy because they are relying on succession rights. Croman initially accepted and then rejected the rent of one tenant whose grandparents were longtime leaseholders; the tenant grew up in the building. Croman recognized the tenant as a lawful occupant only after reviewing the tenant's tax forms, children's birth certificates, a marriage license, and the grandmother's death certificate.

"It's par for the course for any landlord who takes over a building" to ask for such documentation, says Kossoff. "They don't necessarily know who the tenants are. Being a landlord is still a business in New York City, and where people meritoriously proved their rights we acknowledged them."

Tenant Sam Burrell has not been so lucky. He says his father moved into the 18th Street building in 1967; that his grandfather lived there shortly thereafter; and that he himself himself has lived there since 1980. Burrell declined to relocate from his three-bedroom apartment to a small one-bedroom that Croman showed him downtown. Eventually, Croman began an eviction.

"Our evidence is that his father or grandfather was the tenant of record and that [Sam Burrell] obfuscated that by signing checks in their name," says Kossoff. "He continued that fiction for a long period of time, then got married and lived with his wife in upstate New York and got divorced and now he's back here to live in the premises."

"That is completely wrong," says Burrell's lawyer, Rick Lunenfeld. "The checks were in Sam's name. He has a similar name as his father and grandfather, and the landlord didn't pay attention." He says the upstate property is a vacation home that Burrell's wife (he is separated, not divorced) got in 1993. "They even called her to testify against him," says Lunenfeld. "They're willing to take all sorts of measures to get him out because they have such a financial interest. But I don't see how they can win. We have very clear succession rights."

Sitzer says the tenant association has assisted five neighbors who ultimately convinced the landlord of their right to remain without going to court.

Says Putterman, "He's going after people who he knows very well have legitimate succession rights. He's trying to frighten them and wear them down. And the kind of documentation he's asking for is ridiculous. It's the difference between acquiring information and being relentless.

"He's led people to believe that he's hired private investigators to pull records from Con Ed and the phone company, all sorts of places. He treats them as if they were criminals, when in fact they have every right to be here."