

Croman Takes A Left to the Jaw

By Arthur Z. Schwartz

Taste of Lima owner, Nelida Godfrey, is waging a two front battle with Monster Landlord Steve Croman, who owns the building she lives in (on Bedford Street) and the building where her restaurant is located (on the corner of Bedford and Christopher). On June 15, Judge Peter Wendt issued a ruling on a petition brought by Croman alleging that Nelida's apartment was not subject to the Rent Stabilization Law, and that he had a right to evict her. The lawsuit had been going on since 2012. Nelida, who was represented by the Urban Justice Center, countered not only that her apartment was Rent Stabilized, but that the rent she has been paying far exceeded the amount allowed under the Rent Laws (an "overcharge").

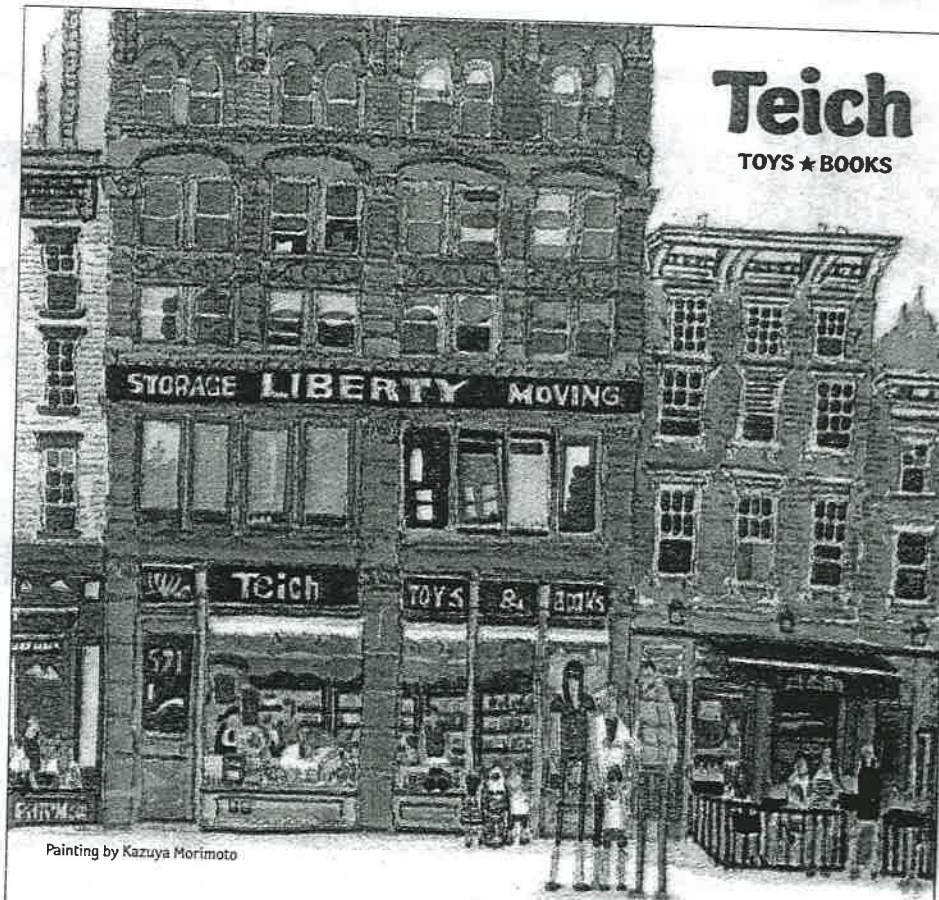
The landlord argued here that before Nelida moved in, and agreed to pay \$2350 per month, the prior occupant had been a building employee, and that the four years the employee lived there "destabilized" the apartment. But Judge Wendt held otherwise. He held that after a "temporary exemption" (the period when an employee or an owner is the tenant) the first post-exemption lease must be at the regulated rent." If the Court were to follow [the landlord's] interpretation... the exemption [would become] permanent at the whim of the landlord.... Under such

a scenario, a landlord could place an employee in an apartment for a short period of time for the sole purpose of skirting its rent regulatory status as it could then permanently deregulate the premises once the employee vacates."

The prior legal rent for the apartment was \$791 per month. The litigation will continue, but Judge Wendt is likely to set a rent beginning in the low \$800 per month range going back to 2005. There will be lots of money returned, over \$15,000 per year over a ten year period. The law provides for a penalty of three times the overcharge in some cases where the overcharge was willful, an argument Nelida's lawyer will pursue. Even without the penalty, the landlord must pay nine percent annual interest on the overcharge.

Of course there will be appeals, and Nelida is not totally out of the woods. But Nelida has a powerful card in her hand as she fights to keep Croman from shutting down her business.

Efforts are underway (with the involvement of this author) to negotiate a resolution so that Taste of Lima can live in peace on Christopher Street, the Godfrey family can live in secure Rent Stabilized housing, and her son, an up and coming high school basketball star (who recently secured a full scholarship to Leman Preparatory School), can focus on his jump shot.



Painting by Kazuya Morimoto

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