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# City levies fines, but fails to collect over half-billion from landlords

Flaws in system let owners continue construction despite violations



By

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566 HUDSON ST.: Landlord 9300 Realty accumulated \$69,400 in fines here over seven years, the Cooper Square Committee said. The balance on the building is now \$43,000.

Photo: Propertyshark.com

Steven Croman holds the dubious distinction of having ended 2015 with more than \$1 million in unpaid building- and construction-code violations on properties he owns in New York City, according to research by the Cooper Square Committee, a tenants' rights group. He continued to receive city permission for construction on his buildings, even though some of the fines had been unpaid for as many as seven years.

The fines that Croman and his firm, 9300 Realty, had accrued showcase the city's inability to collect about \$1.6 billion in quality-of-life fines, known as Environmental Control Board (ECB) violations. The city has few means to ensure the fines are paid, giving some landlords and contractors leeway to continue to rack up infractions.

"The city issues quality-of-life violations when people violate construction safety rules, start construction before or after hours, or have dangerous sidewalk conditions—and nobody seems to care," said City Councilman Ben Kallos. "Many landlords and developers treat [the fines] as a cost of doing business."

A 9300 Realty spokesman disputed the \$1 million figure, and said the firm has paid the city hundreds of thousands of dollars since the nonprofit's study.

Kallos is sponsoring bills to give the Department of Finance, which collects fines, more power. One would put a lien on buildings if a big enough balance has accrued (this can be done now with single-family homes).

The legislation was proposed to help fix a flawed system that the city continues to rely on to curb potentially dangerous behavior. In February, Mayor Bill de Blasio and Buildings Commissioner Rick Chandler said they were quadrupling construction penalties. Yet similar fines issued by the Buildings Department, with accrued interest, make up nearly half the \$1.6 billion owed to the city. The rest come from other agencies that also issue violations.

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