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# This is How Slumlord Steve Croman Boots Rent Stabilized Tenants from His Properties

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*Steve Croman arraignment, Photo: Daily News*

This past spring, slumlord Steve Croman (<http://www.boweryboogie.com/tag/steve-croman/>) was charged with twenty felonies including grand larceny (<http://www.boweryboogie.com/2016/05/slumlord-steve-croman-arrested-faces-20-felony-charges-fraudulent-activity/>), falsifying business records, tax fraud, conspiring to defraud, and offering a false instrument; his mortgage broker Barry Swartz faces fifteen felonies including grand larceny, falsifying records, and conspiring to defraud. The two could get up to twenty-five years in prison apiece. Attorney General Eric Schneiderman filed a separate civil suit charging him with routinely employing threats and frivolous lawsuits to boot rent regulated tenants.

This week, Bloomberg Businessweek (<http://www.bloomberg.com/news/articles/2016-10-12/get-out>) published a detailed long-read about the “Mad Gentrifier” and the playbook employed to harass and boot rent stabilized tenants. Many of these tactics, such as hiring tenant relocaters for intimidation, have long been covered in our

past coverage of similar landlords such as Samy Mahfar.



*Steve Croman, Photo: Daily News*

Here are some choice excerpts, but it's worth taking ten minutes to read the full piece:

For decades he has bought properties, rid them of rent-stabilized tenants, and filled them with more profitable replacements. In May, New York State Attorney General Eric Schneiderman tried to put a stop to these practices, indicting Croman for grand larceny, tax fraud, and falsifying business records. The heart of the case is \$45 million worth of loans Croman allegedly secured by falsely claiming certain properties had been emptied of stabilized tenants. If convicted, he faces as much as 25 years in prison.

Schneiderman's harassment case, which relies on, among other evidence, a trove of internal e-mails, text messages, and employee testimony, alleges that Croman pursued a three-pronged strategy to oust rent-stabilized tenants: First, file frivolous lawsuits to bleed tenants' cash and break their spirits. Second, hire an ex-cop named Anthony Falconite to stalk and intimidate them. Third, plunge their apartments into squalor while performing often illegal and unsafe construction on other units. According to depositions from current and former Croman employees, he offered bonuses to those who got tenants to leave—something he seemed to obsess over.

Raised in the leafy suburbs of northern New Jersey, he graduated from New York University and followed his father, Ed, a suburban mall developer, into real estate. In 1990, at 24, he began brokering apartment sales and rentals in Lower Manhattan. Two years later, he bought his first building, 221 Mott St., in Little Italy, and soon added more there and in other ethnic, bohemian neighborhoods. His timing was perfect: The early-1990s recession was over, and Giuliani-era sanitization had begun. Property values were climbing, and the neighborhoods in which Croman specialized began to gentrify.

An analysis by the housing coalition Stabilizing NYC found that in the past five years, Croman has deregulated 390 units. That's a lot for one guy, but it's part of a broader trend that speaks to the recent erosion of rent-regulated housing in New York.

By 2014 more than a million units—47 percent of the city's rental housing stock—remained rent-regulated. But according to NYU's Furman Center for Real Estate and Urban Policy, in the previous three years, 85,000 units had either been deregulated or

had become unaffordable to low-income renters.

Sending one landlord to jail won't turn New York City into a communitarian paradise, of course, but the attorney general's case against Croman suggests the state is at least eager for gentrification to proceed legally. The city has maintained rent freezes on one-year leases for stabilized apartments for the past few years. Mayor Bill de Blasio has called for the repeal of decontrol loopholes (though the state is unlikely to accede), and has overhauled the zoning code so that many new residential buildings must set aside units for low-income tenants.

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