

RSA Seminar: Preparing Your Building for Purchase, Sale or Refinance

On April 6th, RSA held a well-attended seminar relating to the purchase, sale and re-financing of rent-regulated buildings. The seminar was co-sponsored by the New York County Lawyers Association (NYCLA). The panelists included Howard Stern, Esq., the Administrator of RSA's Legal Plan, three participating attorneys in RSA's Legal Plan: Ronald Hariri, Esq. from Hariri & Crispo, Charles Wasserman from Novick, Edelstein, Lubell, Reisman, Wasserman & Leventhal, and Eric Zim from Horwitz & Zim. In addition, Wanda Pearson from RSA's Mortgage Brokerage and Chris Athineos, a member of RSA's Board of Directors and a Co-President of Small Property Owners of New York (SPONY) were also presenters. RSA's General Counsel, Mitchell Posilkin, and RSA's Deputy Counsel, Robin Bernstein, moderated the program.

Mr. Hariri spoke about some issues that are peculiar to the ownership of rent-regulated buildings, including the manner in which title to the building is held. Title not only has an impact on liability, but also affects an owner's ability to evict a tenant for personal use. To bring a proceeding for personal use the building must be owned by a person or partnership and not an entity such as a corporation or a limited liability company.

Mr. Stern addressed a wide range of issues, including the importance of ensuring that all apartments are legal. He also addressed the subject of "horizontal multiple dwellings," which is unique to rent stabilization. "Horizontal multiple dwelling" can refer to two or more buildings, each with fewer than six units and typically not subject to stabilization, which could be considered stabilized if the share common elements, such as a boiler. Mr. Stern also spoke about the importance and seeking advice from professionals for purposes of tax and estate planning.

Mr. Wasserman spoke about reviewing tenant files to make sure that the leases and renewal leases match the DHCR registration. He highlighted the importance of reviewing City Department of Finance (DOF) records, as well as the lease files, to determine whether there is relevant tax abatement history that could affect the rent-regulated status of the apartments. Mr. Wasserman discussed the importance of proper documentation for individual apartment improvements (IAIs) and stressed the importance of reviewing leases and rent registrations to determine compliance with preferential rent requirements.

Mr. Zim spoke about reviewing the title report prior to purchasing a building for violations, making sure that the property is properly registered with the City Department of Housing Preservation and Development (HPD) and that there are no outstanding liens. He also spoke about the importance of obtaining all tenant files from the seller.

RSA's Wanda Pearson spoke about mortgage refinancing and some of the reasons why owners might want to refinance to make capital improvements or repairs. Ms. Pearson stressed the fact that many banks will require owners to clear violations before re-financing.

Mr. Athineos' presentation was one of the highlights of the program. Mr. Athineos spoke about the importance of communicating with tenants and maintaining a good rapport even with difficult tenants.

Members who missed the program can register online for a webinar re-broadcast of the program at <http://bit.ly/2o7im5D>. ■



The seminar panel included Eric Zim, Chris Athineos, Ron Hariri, Charles Wasserman, Robin Bernstein, Howard Stern, Wanda Pearson and Mitch Posilkin.

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