



NEW YORK STATE SENATOR

Liz Krueger

Salvation Army Tenants File Suit to Save Affordable Housing for Women

LIZ KRUEGER February 15, 2007

Tenants, Elected Officials, Lawyers and Affordable Housing Advocates Condemn the Army's Eviction Efforts

New York—Approximately 30 tenants at two SRO buildings (the Parkside Evangeline and Ten-Eyck Troughton) which are owned and operated by the Salvation Army (SA) filed suit today to stop the SA's attempts to evict their residents. If the buildings are allowed to close, approximately 600 units of affordable housing for women in Manhattan will be lost. The lawsuit also challenges the legality of the SA's ability to sell both Midtown East buildings for a profit (media reports indicate they may fetch in excess of \$100 million) when the SA benefits from rent law exemption due to their not for profit charitable status.

"We got a knock on the door, a video camera in our face, and an eviction notice stuck in our hand," explained Princess Usounga of the Parkside Evangeline. "They moved some of the women, but have done nothing to help those of us here today to find alternative housing arrangements—posting craigslist ads on a billboard in the lobby doesn't cut it. We wouldn't be at this point today if they had just shown their heart, instead of their greed."

Michelle Leone of the Ten Eyck agreed. "I have lived here for 8 years and never thought in my wildest dreams that it would be the Salvation Army who put me and my neighbors into

this type of situation. We first tried to work with them; then with our elected officials, who in turn tried to work with them. They were completely unresponsive. They gave us no choice but to take this situation public, and as soon as we did the Salvation Army of Greater New York posted a statement on their website implying we are greedy media-mongers. I just want to know I have a safe, affordable, and stable home."

"Every affordable unit we lose in Manhattan is a step towards losing the character and diversity that makes this borough so unique," said Manhattan Borough President Scott Stringer. "The Salvation Army helps thousands of people every day, and today we're asking them to help some of our most vulnerable. We cannot allow this profit-driven sale to move forward."

State Senator Liz Krueger challenged that SA's justification for why these two buildings are being closed—to help fund other projects. "The Salvation Army has a mission, that they march out every time they want donations. That mission includes helping those in need, including offering housing and helping prevent evictions. It is more than a little hypocritical that the Salvation Army has not taken the appropriate steps to make sure their very own residents don't face homelessness. The Salvation Army is the 2nd largest charity in the country. That they are claiming Ms. Joan Kroc's \$1.5 billion donation as an excuse to close down 600 units of affordable housing for women is simply mind-boggling."

"We teach our children it's a sin to throw away food. In New York City it's a sin to throw people out of their homes and turn affordable into high priced housing," declared Assemblyman Dick Gottfried. "Yes, the Salvation Army can make some money from this shameful act. There are lots of shameful ways to make money. We have a right to expect more from the Salvation Army."

"If the Salvation Army follows through with its decision to close these residences, it will represent a significant loss of affordable housing for our community and a tremendous hardship for the residents," Assemblyman Brian Kavanagh said. "We are working hard to make sure that the Salvation Army meets its obligation to provide adequate relocation assistance including alternative, suitable, long-term, affordable housing and other services that will ease the burden for every single resident."

Councilwoman Rosie Mendez remembered the panic of the women who contacted her office when the Salvation Army verbally alluded to selling the residences. "As soon as the elected officials heard what was happening, we moved to act as mediators with the Salvation Army, hoping to find a satisfactory conclusion for all parties involved—the Salvation Army has not been willing to work with us. We sent official letters only to have our meeting attempts denied. This process has revealed a lot about the Salvation Army."

"The Salvation Army should not use its legal status as a charity to turn its back on vulnerable tenants," said Councilman Dan Garodnick. "We are losing 600 affordable units here, tenants are being displaced, and the Salvation Army should act according to its mission—and act responsibly towards the residents of these buildings."

More than half of the tenants qualify as low-income, which has allowed legal services for all 30 tenants filing suit to be handled by Legal Services for New York City (LSNYC) with pro bono counsel provided by the firm of Phillips Nizer LLP. The lawsuit first moves to provide a stay for remaining tenants while the legal case proceeds, and then goes on to challenge the validity of the Salvation Army selling these two buildings for profit while benefiting from non profit status. "There are many legal questions that remain up in the air," said Marc Landis of Phillips Nizer and Chaumtoli Huq of Manhattan Legal Services, a program of LSNYC. "All charities, nonprofits and educational institutions are exempt from the rent

regulation laws as long as the building is being used for charitable purposes. The Salvation Army wants these buildings vacant in order to sell them for enormous profits. This is the only reason they are evicting all of their tenants. The purpose of the rent laws is to preserve affordable housing and the exemption for charitable use was not intended to allow the Salvation Army to achieve the opposite."

"It is almost hard to believe that while Manhattan is being gobbled up by greedy developers, we are spending time and resources fighting the greed of the Salvation Army," affordable housing advocate Jenny Laurie of the MET Council declared. "Millions of people drop quarters into little red buckets every holiday season believing their money will be used for good. It is going to disappoint a whole lot of people to know that a charity they trust has placed profit above doing what's right."