INDEPENDENCE PLAZA NORTH TENANTS ASSOCIATION NEWSLETTER August 11, 2007

J-51 UPDATE: The board rechecked the date and now believes that June 22 was 120 days after the J-51 issue was finally submitted to Judge Friedman. (The final papers were submitted on February 13^{th} , but the *issue* was submitted on February 22^{nd} when she denied the Landlord's application for further oral argument.)

Generally a judge has 120 days after the final submission of a complex motion to make a decision. However, it is not unusual for a judge to take more than 120 days to make a decision.

If a judge does not render a decision within the 120 days after its final submission, she is notified that the decision due date has passed and if within 30 days thereafter the decision hasn't been filed, the judge is required to file an explanation why the decision has been delayed with the Administrative Judge. This reporting requirement applies every 30 days until a decision is issued.

We're all awaiting the decision and upon receipt of it will immediately notify the tenants and post it on our website. <u>All tenants</u> can go to our website: <u>www.ipnta.org</u> to see the history and how the J-51 affects everyone at IPN. Please note: Voucher tenants may still continue to receive vouchers in the event the J-51 decision is ruled in the plaintiffs' (that is, tenants') favor. That will be a decision voucher tenants will have to make for themselves based on their individual situation. The IPNTA will offer information and discussion at that time. Also, if decision is in our favor, we will have reps come to talk about SCRIE (Senior Citizens Rent Increase Exemption) and DRIE (Disability Rent Increase Exemption).

EXECUTIVE BOARD NEWS: TOWNHOUSES

Manuel Cabrero, Vice President of the townhouses since 2002, informed the board that, for personal reasons, he is resigning as townhouse VP. We are sure you will join us in thanking Manny for volunteering to especially look out for townhouse residents and of course be part of the bigger picture through the Exec. Board. Sincere thanks, Manny. The Board is in discussion about a new townhouse rep. If you live in the townhouses and can help with distribution of the newsletter, we need you! Please email us at INFO@IPNTA.ORG and let us know.

Townhouse Repairs: Maintenance will be making the repairs to the area lights that have been out. Please let us know if this does not happen in your area this month. Thanks.

SUB-METERING UPDATE:

Members of the Executive Board met with the Chief Operating Officer (C.O.O.) of Stellar Management, Ofer

GENERAL TENANT MEETING:

The IPNTA General Tenants Meeting will be on September 5th, 2007 at 7:15 PM. Location: 310 Greenwich Street – 2nd floor Community Room. Agenda: updates &further clarification of items newsletter

Shaul, in the beginningof July to discuss additional questions from tenants regarding sub-metering. A representative from Quadlogic, the sub-metering company, and several Stellar employees were also in attendance. Following are our questions and **Stellar's/Quadlogic's responses**. We will be having a follow-up meeting to ask more questions and seek further clarification.

Question (1): Do the owners of IPN buy bulk electric rates from Con Edison (CE)? We heard that discounts to large complexes are available. Does Stellar get discounted rates and is the discount passed on to the tenants?

Response: Stellar hired a full-time consultant, regulated by the Public Service Commission, who shops for the best electric rates on a monthly basis. Stellar does get bulk rates and also has to pay electricity costs. The consultant has chosen Hudson Energy because they have been consistently lower than other utility companies (see rates later in article.) Management is billed per kilowatt-hour from the utility company and the same kilowatt cost is passed onto the tenant. Stellar stated it does not charge us more than they are paying and are not making a profit. Con Edison has a monopoly in NYC and is the distributor. Whatever the rate is, it's divided up and the tenants pay per their kilowatt usage from that formula. (Electricity is bought in bulk and then divided into the kilowatts. – and every month it could change.)

Ouadlogic's only responsibilities are installing, maintaining and monitoring the meters. They issue the usage bill for each tenant and management. They record each tenant's usage every 15 minutes. Should a meter be found defective, the tenant will be billed based on prior historical usage until the problem has been resolved. If the tenant breaks the meter, or if it just breaks; here's how they estimate the usage for that month: The meter records usage every 15 minutes. It has a "flash" memory – for the 15 minutes. They can go back to the last 10 days of actual usage. That goes into the total reading for estimation, after the meter is fixed, it self corrects - and eventually the tenant will be charged the correct amount. However, if the tenant deliberately breaks the meter he will be liable for the cost of the repair and subject to eviction. Quadlogic



says they are paid a flat administrative fee for doing this work. Management pays the administrative fee. It is not passed on to the LAP or Voucher tenants.

Question (2): Why did the rates change from the first billing to the second billing period? It is now higher. (i.e. LAP tenants billing)

Response: Rates change on a month-to-month basis with the highest rates usually in July and August. The first billing period we were billed at 0.1590; the second period we were billed 0.1922 and it could spike as high as 0.22 in the summer months based on demand. When people call Con Edison to ask what their rates are, they do not get the complete information. Firstly, tenants are sub-metered, not direct metered customers. Additionally, Con Edison does not explain that on top of the direct metering rates, they charge a monthly service charge of \$11.50 to all individual customers. So asking for the electric rate is tricky. (The Voucher and LAP tenants do not pay the 4.00 service charge to Quadlogic, and we do not pay the 11.50 to Con Edison, who is the distributor in NYC.)

Con Edison may mention rates but cannot make a complete estimation because the rates keep changing.

Question (3): Many LAP tenants claim they have not gotten the submetering reduction on their rent bills.

Response: All LAP tenants should have received the reduction on their rent bills. If they did not, they should contact the management office. Air conditioning charges should have also been removed from the rent statement and amount removed from base rent amount.

(**IPNTA** note: How to understand your statement: Your base rent minus the reduction for sub-metering (see chart below) plus the charge for electricity is your total rent. What you are paying to management for your electricity is actually the billed electrical usage from Quadlogic, minus the electrical rebate. Removing the AC charges effectively further reduced your base rent.

<u>LAP TENANT</u>: For example, if you have a 2-bedroom apartment, your base rent should have initially been reduced by \$10 per each AC. Then, it is further reduced by \$39.59 (see chart), For recently-renewed LAP leases, the new rent should have been calculated on the adjusted base rent (old base rent minus electricity reduction & AC removed). The renewal increases currently in effect (as per Rent Guidelines Board) are: 4.25% (1 year), 7.25% (2 years).

<u>VOUCHER TENANT</u>: You will be billed in September for their July electrical usage. The dollar amount of your electrical reduction is different (see chart below) but the formula is the same. Hopefully, management will have already correctly done this when you get your rent statement. However, double check and make sure that your contribution to the rent is reduced consistent with the chart below showing # of bedrooms, plus another \$10 per each air conditioner. (If you see something on your rent statement that shows "AC" and a charge, it was not removed.) Additionally, you should NOT have a \$4.00 administrative fee on your bill. Use this example to calculate your new base rent: Say your base rent has been \$1000.00 for a 1-bedroom apartment. Subtract \$52.00 (chart below), plus another \$10 for each AC. If you have 2 Acs (\$20), your new base rent should be \$928.00 (\$1,000 base rent - \$52 electricity reduction - \$20 AC reduction = \$928 new base rent). To the new base rent add the electrical usage charge that appears on your rent statement. Let's say it's \$85.00. Your rent that month should be: \$1013.00. If you notice a mistake, contact management immediately and have it remedied. And remember, summer rates are higher than other times during year, and rates vary from month to month.

CHARTS: REDUCTION IN MONTHLY RENT BECAUSE OF SUB-METERING: Once billing begins, your <u>new</u> base rent (without air conditioner charges) should be reduced by the following amount on your statement (does not apply to new free-market tenants):

VOUCHER TENANTS - per HPD: (started July- bill comes in September)bill comes in September)Studio -\$471 BR -\$522 BR -\$583 BR -\$67	LAP TENANTS – per DHCR: (started April-bill came in June) Studio - \$30.81 1 BR - \$35.27 2 BR - \$39.59 3 BR - \$44.06
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Question/R: (4): "A" townhouse apartments are indeed getting their reduction for common lights.

Question (5): Some tenants claim to be getting rent statements without any of the appropriate reductions.

(IPNTA Note: For example, the plaintiffs in the original lawsuit.) Others have claimed this but we haven't seen statements yet.

Response: Stellar representative wouldn't discuss the issue about Plaintiff's statements and advised that they should "Call their lawyer". We did and our attorney contacted Stellar's attorney, Stephen Meister. He agreed and stated that he notified Stellar that plaintiffs cannot legally be treated differently from any other LAP tenants. The rent statements should be adjusted. Stellar claims that all other tenants already have had their adjustments on rent statements made properly.

(IPNTA Note: If your statement was NOT adjusted and you cannot correct through management, please give the Tenant Association a copy of your rent statement and your phone number and e-mail. Leave an envelope in one of the Tenant Association lobby boxes. The first month of LAP billing in July had mistakes: The statement did not include the reduction; AC charges were not removed and an erroneous \$4.00 service charge appeared. These charges should have been removed the following month. If not – go to management. Need help? Let the IPNTA know.)

Question (6): DHCR's revision of rates: Originally, VP Ed Rosner reported that during a conversation with C.O.O. of Stellar, Ofer Shaul, it was agreed that if DHCR raises the sub-metering reduction rate, our LAP tenants would get that additional reduction. We reported in the last newsletter that this rate, when approved, would hopefully equal the same reduction that voucher tenants will receive. In a recent email from Mr. Shaul, we were told that we printed a mistake in the newsletter regarding this. What changed?

Response: Mr. Shaul claimed that we would miss any higher reduction since sub-metering began in April. He claimed that our negotiated deal states that we will get the reduction in effect <u>at the time</u>. He admitted that this is vague.

(IPNTA note: We said that the language means, "The rate at the time of sub-metering would be the <u>starting rate</u>." We decided to postpone this discussion until the change does in fact take place. (It has been pending for over a year.) If DHCR puts pressure on the landlords, they will have to give us the higher reduction. We will fight for this when the time comes.)

Question (7): Will the kinks be ironed out before voucher tenants are billed? (In other words, will the rebate be included, no service fee charged, AC charges removed, and extra rebate included for townhouses?)

Response: The voucher tenants will be getting their statements in September to coincide with their leases. Statements should be correct.

Question (8): A few tenants claimed that when they called the office to ask why they were paying two months after the electrical charges, they were told it was for security purposes. Please explain again why the bills arrive two months after the fact. When a tenant moves out, what will happen with billing and the last month's electrical charges?

Response: Mr. Shaul said the system is more "tenant friendly" than "landlord friendly," and that the landlord is actually laying out the money for the tenant's electricity. The tenant received both the rebate for April and the bill for April in June's rent statement. However – remember, both are for APRIL. The landlord pays for electricity before the tenant gets billed. If a tenant says s/he is moving, s/he will have only paid for electricity used two

months earlier, while still accruing new charges. Management will not get the tenant's final bill until after the tenant leaves.

Some tenants are confused about their actual **electrical usage**. We were told before the sub-metering took place that tenants with questions about their bills should call the management office; they will coordinate an inquiry with Quadlogic. The Board is discussing various ways for tenants to keep a check on their usage.

HUDSON ENERGY RATES, ETC. Stellar's consultant has come up with Hudson Energy to purchase electricity. So far, it's been the most competitive price. However, there are about 21 or more utility companies that sell "energy." Con Edison, who also sells energy, states: "These independent energy suppliers have indicated they intend to serve our customers in New York. Each of these suppliers has met the retail access eligibility requirements established by the New York State Public Service Commission." Here is some information taken from the HES website: hudsonenergyservices.com.

Hudson Energy is a strong, established retail provider of electricity and natural gas, and has been serving commercial and residential customers since 2002. We are approved by the New York State Public Service Commission and your local utility (Con Edison).

RATE Comparison with Con Edison (2007)				
Month	Con Edison	Hudson E.	Savings	
July, 2007	1.11848	1.10290	1.39%	
June, 2007	1.12833	1.10290	2.25%	
May, 2007	1.18041	1.14650	2.87%	
April, 2007	1.14621	1.11190	2.99%	
March, 2007	1.23036	1.21190	1.50%	
February, 07	1.28088	1.25290	2.18%	
Hudson Energy Average Price: \$1.08				
Con Edison Average Price: \$1.11				
Average Savings with Hudson Energy Services: 2.12%				

GRAB BARS - UPDATE

If any seniors or disabled tenant have still not received their bathtub grab bars – the job continues. Councilmember Alan Gerson sponsored the pilot program at IPN. There is one installer going from apartment to apartment. IPNTA organized the list with Caring Community. If you don't hear from the installer soon, contact the TA.

MAINTENANCE UPDATE:

We asked Stellar for an update on several projects

<u>Lobby Renovation:</u> 80 N. Moore has been under construction for quite a long time and it often seemed as if no work was being done. What's the process?

Stellar said that the first job is always the slowest, and	SPECIAL THANKS to Councilmember Alan Gerson for a grant that helped pay for our newsletters in 2007.	
parts were difficult to come by. There is now a different	WELCOME TO NEW TENANTS! Are you moving	
contractor in charge. Stellar anticipates the lobby at 80 N.	because of a steep rent increase, please contact us	
Moore to be substantially complete within the next month.	before you make any decisions:	
The other lobby, 40 Harrison, is currently in the middle of	<u>INFO@IPNTA.ORG</u> We're working on a book that will help	
construction. The last lobby, at 310 Greenwich St., is to	introduce you to our neighborhood and also be helpful for	
commence shortly, once 40 Harrison is far enough along	long time tenants. Look for it in the Fall 07.	
this summer. Also, there are plans this Fall to improve the	SETTING THINGS STRAIGHT: THE RUMOR MILL	
entrance areas and sidewalks at each lobby. All entry	1.Rumor: Now that newly renovated apartments have	
doors will be power operated by ADA standards.	washers/dryers, management will be closing the laundry	
<u>What's the update on the new heating system?</u> The actual	rooms. RESPONSE: The laundry rooms are not	
boilers are installed and the oil tank was set in place a few	closing!	
weeks ago. Another month is needed to tie in all the piping	2. Rumor: The drug store, deli and Wagging Tail will close	
for us to "fire-up" the system. Stellar and the contractor	and Duane Reade will come in. RESPONSE: There are	
have all the permits.	no current plans for anything other than what is in	
What can be done regarding rats in construction site of old	 no current plans for anything other than what is in	
management office? Tenants have been seeing rats at the	place. That doesn't mean things won't change in the	
construction site at Greenwich and Harrison Streets. We're	future. (The IPNTA has information that Wagging Tail is	
concerned because so many of the tenants sit on the	planning on leaving that location.) Rumor: The IPNTA is not sharing the news about Judge	
benches in front of that boarded-up site.	Friedman's decision. RESPONSE: Absolutely FALSE!	
Stellar said they hired a professional exterminator to deal	We have said many times that we will let tenants know	
with this. Unfortunately rats need to be dealt with at most	immediately. And it will also be posted on our website.	
construction sites, especially where demolition is on-	Why WOULDN'T we announce it?	
going. They will fumigate accordingly.	TIPS: UNPLUG APPLIANCES TO SAVE UP TO 40	
IPNTA NOTE: We have limited our use of the tenant	% ELECTRIC USAGE! (really!) could be up to \$9.00 a	
office due to construction dust, etc. Once renovation is	year per appliance! GET COMPACT	
done, we plan on utilizing the office for various IPNTA	FLOURESCENT BULBS & SAVE MONEY!	
activities, including some clubs.	IPNTA BYLAWS:	
RECENT COMPLAINTS BY TENANTS: Construction	The bylaws are in the process of being reviewed and proposed	
being done on Sundays. Workers on July 29 th at 40 Harrison also	amendments will be voted on in an upcoming members-only	
held up the elevators. There were only two elevators running for	meeting (to be announced). The 2007 nominating committee has	
much of afternoon. At 310 Greenwich, there has been an excess	suggested some amendments about the electoral process for	
of dust and noise from construction of new heating system.	IPNTA Executive Board Members. We also have other proposed	
Tenants reported that they thought there was an earthquake	changes. All members will get a chance to review and discuss	
during drilling. We have asked for more advanced notice.	these proposed changes before voting.	
REMINDER: CURB YOUR DOG . Our community gardeners remind all of us to PLEASE protect our gardens and trees. No matter what you've heard, dogs do not add "fertilizer." Their castoffs contain chemicals that will destroy the plants and trees. The gardeners work so hard and we all enjoy their labors. Additionally, especially on West Street and the courtyard on Harrison St.: please clean up after your pals. Your pooches will be happier and healthier too. REPORTING A MAINTENANCE PROBLEM: If you need apartment repairs: get a work number from	Pending issue: Discussion with Stellar and Northfork Bank regarding security deposits. Our last discussion with Stellar contained some inconsistencies with tenant information.FREEZING in contained some inconsistencies with tenant information.FREEZING IN WINTER???If your apartment is FREEZING in the winter, you should have maintenance check the seals around your windows. Stellar agrees you may need resealing if you feel cold air coming in around the window frames. Don't wait until it's cold – start checking now. And make sure ac's are sealed as well.IPNTA EXEC BOARD: President: Diane Lapson; Secretary: Judy	
maintenance. If no progress is made, THEN contact IPNTA in writing (print or e-mail). (lobby box or info@ipnta.org)	Bernstein; Treasurer: Jean Hartman; Vps: Bldg.1(80)Ed Rosner;	