

GROUND RULES PODCAST TRANSCRIPT
EPISODE 2: INSIDE NEW YORK CITY LOFT LAW WITH MICHAEL BOBICK

[This conversation was edited for clarity].

David Shamshovich:

Welcome to Ground Rules, where we uncover the underwritten rules of real estate straight from the people who've lived them. Ground Rules is brought to you by Belkin Burden Goldman, a leading full service real estate law firm. I'm your host, David Shamshovich.

On today's episode, we dive into the world of Loft Law with BBG partner Michael Bobick.

And don't miss Michael's upcoming Loft Law Seminar to be hosted at BBG on May 13. Visit bbgp.com for more info. Thanks for listening.

David Shamshovich:

Hello everyone and welcome to Ground Rules, the BBG podcast. I'm your host, David Shamshovich.

New York City has a long history of buildings that were originally built for manufacturing or commercial use but, over time, started being used residentially. That reality gave rise to the New York Loft Law, a unique and often misunderstood legal framework that sits at the intersection of housing law, building compliance, rent regulation, and administrative process.

Today I'm joined by my colleague Michael Bobick, who spent years inside the New York City Loft Board before joining private practice at BBG to help us demystify how this system works, how it's evolved, and why current proposed rule changes matter.

Michael, it's so great to have you. Thank you so much for taking the time to sit down with us and discuss a topic that most people know very little about. You're going to demystify it for us.

Before we get into all of that, let's talk about your background. You're a native New Yorker, as I am. I grew up in Brooklyn. You grew up in Queens.

Michael Bobick:

Yes.

David Shamshovich:

And you're still there?

Michael Bobick:

Yes.

David Shamshovich:

Why don't you give us a little overview. How did your parents end up in Queens, and why did you decide to stay rather than move to another borough?

Michael Bobick:

Absolutely. Thank you for having me. I've been looking forward to this.

I'm a Queens boy, born and raised. I grew up most of the time in Forest Hills, but I was born in New Hyde Park. My parents lived in Bayside, Queens, for a couple of years, and when I was about two, we moved to Forest Hills to an apartment my great grandparents had owned and that my parents later took over.

Now I live in Forest Hills with my family, my wife and two children, in the building literally next door to where I grew up.

David Shamshovich:

Is there a reason you decided to stay?

Michael Bobick:

Yes. It's home. It's the only home I've ever known. I did live in the city with my wife when she was my girlfriend for a couple of years. She's from New Jersey, so there was always the conversation about moving to Jersey or Manhattan.

But I was born and raised in Queens. She moved to New York City and met a Queens guy, so where else would we go? I always knew I'd end up back in Forest Hills.

David Shamshovich:

You work with city programs, regulations, and laws, so staying here makes sense. You did leave for a while, though. You went to Miami for school.

Michael Bobick:

That's right.

David Shamshovich:

Why Miami, and what kind of education were you pursuing?

Michael Bobick:

I grew up in Forest Hills and went to junior high there. For high school, I went to Cardozo in Bayside, which was a full circle moment because my parents had lived right across the street from the school.

After that, I went to Miami. My family had a house in Boynton Beach, and we'd go several times a year. At some point, I just knew I wanted to go to school in Florida. The sun, the sports, the atmosphere, you couldn't miss it. I applied to several Florida schools, but my dream was always to be a Miami Hurricane, mostly because of the football program.

David Shamshovich:

What did you study?

Michael Bobick:

I liked to draw and didn't know what I wanted to do. Someone mentioned the University of Miami had a strong architecture program, so I applied early and got in.

I enjoyed it, but I realized pretty quickly architecture wasn't for me. It wasn't the building codes or technical side. It was the imagination part, taking ideas and turning them into form. I struggled with that.

At the end of my first semester, we had a project where we had to design and model a building for an empty lot in Coconut Grove. When I tried building the model, it looked like a second grader made it. Glue everywhere, broken sticks. The professor and I sat down and agreed it wasn't the right fit.

He helped me transition into marketing, and I graduated with a marketing degree.

David Shamshovich:

After that, you decided to take the LSAT.

Michael Bobick:

Yes. During my senior year, my mom suggested law school. I took an LSAT prep course, studied during the day for school, and studied at night for the test.

I applied to Miami and New York Law School, got into both, and chose New York Law School. Living at home made it affordable. I lived with my mom through law school and even after becoming an associate, which ended up being one of the best financial decisions I've ever made.

David Shamshovich:

Did you know what kind of law you wanted to practice?

Michael Bobick:

Not at all. I just focused on getting through law school, studying hard, and trusting it would work out. Maybe I was naïve, but it did.

During my first year, a friend connected me with someone in HPD's litigation division. I spent time in Queens Housing Court handling repair cases. That was my first exposure to housing law.

David Shamshovich:

And after that came the Loft Board.

Michael Bobick:

Yes. New York Law School had a program where the career office sent out resumes on your behalf. One of the agencies that contacted me was the Loft Board.

I honestly didn't know what it was. I thought it sounded like the "lost board." But I interned for the then director, Lanny Alexander, and we clicked immediately. She mentored me, had me shadow everything she did, and asked for my input even as an intern.

That internship turned into a summer job, then part time work during my 3L year. She told me to graduate, pass the bar, and she'd hire me.

David Shamshovich:

And she did.

Michael Bobick:

Yes. After some delays with city approvals, I started as an agency attorney in 2014. I handled case reviews, drafted proposed decisions, worked on legalization issues, and continued mediating disputes between owners and tenants.

David Shamshovich:

Let's pause there to explain the Loft Board for listeners.

Michael Bobick:

When I say "Loft Board," I'm referring to two things. The Loft Board staff, which are the attorneys and employees, and the actual Loft Board, which is a nine member panel appointed by the mayor.

There's a tenant rep, an owner rep, an artist rep, fire department representation, and public members. Staff attorneys work for the Board, investigate cases, conduct mediations, and draft proposed orders. The Board votes on final determinations.

David Shamshovich:

And the Loft Law itself.

Michael Bobick:

The Loft Law dates back to the late 1970s and early 1980s. Manufacturing buildings were empty, especially in places like SoHo and NoHo. Owners started renting to artists for residential use, even though it wasn't legal.

The artists invested sweat equity into these spaces and fought for protections. In 1981, the Legislature created the Loft Law to protect tenants from eviction and rent gouging while requiring owners to legalize buildings and obtain residential certificates of occupancy.

David Shamshovich:

So the building becomes an IMD.

Michael Bobick:

Yes, an Interim Multiple Dwelling. Tenants gain protection, and the owner must legalize the building.

Legalization involves filing architectural plans and narrative statements written in plain English, so tenants understand the proposed work. The work often has to be done while tenants remain in place.

David Shamshovich:

Disputes go to OATH.

Michael Bobick:

Correct. OATH conducts factual hearings and issues reports. The Loft Board can adopt, modify, or reject them. Once the Board issues a final determination, parties can seek reconsideration and then challenge the decision in Supreme Court through an Article 78.

David Shamshovich:

Rent becomes a big issue during this process.

Michael Bobick:

Yes. If an owner is out of compliance, tenants can withhold rent. Owners can't collect retroactive rent once a TCO is issued. That puts owners in a very difficult financial position while they're spending millions to legalize buildings.

David Shamshovich:

Buyouts eventually entered the picture.

Michael Bobick:

They did. Owners can buy out Loft Law rights, deregulate units, and return them to market use. But buyouts are now subject to intense scrutiny. Tenants can challenge prior buyouts, especially if consideration was inadequate.

David Shamshovich:

Eventually you transitioned to BBG.

Michael Bobick:

Yes. After years working with the same firms during mediations, Lisa Gude reached out and asked if I wanted to join BBG. I interviewed with Jeff Goldman and others and joined in April 2019.

David Shamshovich:

What does your practice look like now?

Michael Bobick:

We represent owners in all aspects of Loft Law: coverage disputes, legalization, OATH litigation, rent issues, buyouts, due diligence, and some transactional work.

David Shamshovich:

Let's talk briefly about the proposed rule changes.

Michael Bobick:

Two major proposals. First, primary residence determinations. The Board is moving away from any single determinative factor like tax returns and toward a holistic review, making it easier to establish coverage.

Second, seven B compliance. Architects will no longer be able to self certify. Owners must obtain a TCO or final CO within six months or face escalating fines.

David Shamshovich:

You've raised concerns about that.

Michael Bobick:

Yes. Many owners completed required work years ago and are stuck due to unrelated DOB issues, often involving commercial tenants or legacy applications. Fining them without addressing those barriers doesn't solve the problem.

Owners who have complied should be assisted, not penalized.

David Shamshovich:

Michael, this has been incredibly informative. Loft Law is far more complex than most people realize. Thank you for taking the time to walk us through it.

Michael Bobick:

Thank you. I appreciate the opportunity.

David Shamshovich:

Thanks for listening to Ground Rules. To stay in the loop on new episodes, please subscribe wherever you get your podcasts. For more on the show and BBG, visit bbgllp.com.