

National Arts Club Apartments Spark Debate

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An NAC apartment after being cleaned up.

MANHATTAN - They are Manhattan apartments to die for, complete with hardwood floors, fireplaces, skylights, an historic location - and a key to Gramercy Park.

The slew of apartments being renovated inside the National Arts Club - soon to hit the real estate market in one of Manhattan's most elite enclaves - is already sparking a fight over who should be able to live there.

Should the apartments be rented out at market rates - which could fetch nearly \$100 a foot, according to [Real Estate Weekly](#) - or should they foster the club's mission to

"educate the American people in the fine arts" and be rented out at affordable prices to artists?

These are questions the [Concerned Artists and Members of the National Arts Club](#) would like members to have an opportunity to weigh in on.

The group, which formed more than a decade ago when the 113-year-old institution was facing investigations over alleged financial mismanagement, has re-emerged amid current investigations by the attorney general and district attorney's office.

The National Arts Club's board of governors, led by [recently-elected president Dianne Bernhard](#), has been cleaning out many apartments stockpiled during the 25-year reign of president O. Aldon James.

He, along with his twin brother, John, and their friend, lawyer Steven Leitner, had been using many of the club's nearly 40 apartments to hoard junk from frequent flea market trips - which was often purchased with club checks, [according to a club's internal report obtained by DNAinfo](#).

Although the internal investigation found the James brothers and Leitner still have seven apartments in the building, Bernhard told Real Estate Weekly that 10 vacant ones were being readied for new tenants, and that those occupants would be paying market rate, to be determined by an appraiser and the club's executive committee.

"According to club tradition, the apartments were meant to serve as live-work studios for persons in the arts without regard to whether they were writers, visual, or musical artists," Ted Andrews, spokesman for the Concerned Artists group, wrote in a letter to Bernhard.

"This changed dramatically over the tenure of Aldon James with no vote or discussion within the membership."

Andrews' group called on Bernhard to give the club's members an opportunity to vote on any new housing policy to avoid "the same bad management and cronyistic decision making of the past."

They want the "full and fair disclosure" of the financial and tax implications of renting out the apartments to artists versus non-artists and of the selection process. They also called on the board to investigate how the apartments were intended for use before James' leadership.

Bernhard herself pays \$7,600 a month for her apartment in the club, according to a tax filing. [James paid \\$1,143 a month for his, while his brother paid \\$356 a month and Leitner - who was said to have been chair of the housing committee - paid \\$858.](#)

The club's internal investigators also claimed that at the end of last year James "unilaterally" granted another lease to his twin for \$2,300 - again well below market rate for an apartment with a key to Gramercy Park.

Artists have long salivated at the prospect of living in one of the roughly 40 apartments in the 15-story building behind the National Arts Club's historic Tilden Mansion.

Architect and first National Arts Club president George Post designed the building - which is accessed through the club at 15 Gramercy Park South but is actually located at 119-121 East 19th Street - in 1905 with studio spaces for artists to live and work.

The duplexes had studios with skylights and two bedrooms for artists' families. Some of these apartments remain intact, though some have since been carved up.

"There was never a policy I saw or any reason for who got an apartment," said one former resident, who asked to remain anonymous for fear of retribution.

"They claimed there was a waitlist, but that was clearly untrue. It was entirely based on the personal decisions of a few people. Artists tried to get in all the time - every 10 minutes. That was one of the biggest conversation topics you had with people - how do you get in there?"

A handful of notable artists currently live in the building, including painter [Everett Raymond Kinstler](#), sculptors [Marc Mellon](#) and [Babette Bloch](#) and [Will Barnet, who recently celebrated his 100th birthday](#) and will be having a major retrospective in September at the National Design Academy.

But some club insiders have wondered how such tenants as Esther Dyer, president of the nonprofit National Medical Fellowship that gives scholarships to minority applicants to go to medical school, got in. Dyer did not immediately respond to calls for comment.

There have also been several board members, including Mr. India New York, Bobby Abid, who got below-market rate apartments, the club's internal investigation noted.

"It is absolutely clear that the NAC's management of the apartments has been abysmal and inequitable," the club's internal investigation said. "There is certainly no

rational explanation for the manner in which [James] has managed the apartments that we can see."

Investigators said at least one resident was asked to pay \$200,000 in key money - essentially a bribe - for an apartment while other residents who James favored were allowed to go months without paying any rent or were allowed to do "substandard" renovation work in exchange for rent forgiveness.

James may have also told residents that renovations to their apartments were tax deductible when they weren't - which means he assisted people in committing tax fraud. Lawyers had warned the club against this practice after a prior district attorney's investigation had uncovered it in 2001.

The club's investigators advised the board to "act immediately to determine fair market rents for the apartments, and begin charging fair market rents where it is possible to do so," but " may wish to consider allocating a few of the apartments to practicing artists at below market rates as part of fulfilling its charitable mission, if such an action will not run afoul of the law."

The National Arts Club did not immediately respond for comment.

Steve Miller, a museum director who left the club more than seven years ago over frustration at how it was being run, said, "I think the members of the club have to be the ones who make the ultimate decision of how the apartments are handled" if the board wants to make good on its promise of "transparency."