

NEW YORK CITY DEPARTMENT OF BUILDINGS TESTIMONY BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDINGS MARCH 11, 2024

Good afternoon Chair Sanchez and members of the Committee on Housing and Buildings. I am Jimmy Oddo, Commissioner for the New York City Department of Buildings ("the Department"). I am joined today by several members of the Department's leadership team. We are pleased to be here to discuss the Fiscal Year 2025 Preliminary Budget, as well as the Department's performance and priority initiatives.

As a former member of this legislative body for nearly 15 years, it is particularly meaningful for me to be testifying before you today as I have a deep appreciation for the work that you all do for New York City and on behalf of your constituents. I look forward to partnering closely with you to improve upon the work of the Department, including to solve quality of life issues impacting New Yorkers and to improve building and construction safety. I was appointed Commissioner for the Department in April of last year and it has been an honor to lead the agency's dedicated public servants since that time. I was clear when I accepted this appointment that keeping buildings and construction sites safe would be my top priority and that is what we have focused on for the past ten months, including rising to the occasion to protect New Yorkers in the aftermath of major building and construction incidents. I found out early on in my tenure that the Department is replete with professionals, which made my work to identify internal talent to take on leadership roles at the agency clear from the start. We have built out the right team to fulfill the Department's mandate and that has been key to serving New Yorkers and pushing forward our priorities over the past few months. The Department's duty to regulate the built environment, which includes nearly 1.1 million existing buildings, and tens of thousands of active construction sites, would not happen without the people who work at the Department. I thank my team for all of their hard work to keep those who live, work, and visit the city safe.

Turning now to the budget, the Fiscal Year 2025 Preliminary Budget allocates approximately \$179 million in expense funds to the Department. Of this funding, approximately \$149 million is for Personal Services, which supports 1,627 budgeted positions, and nearly \$30 million is for Other Than Personal Services, which primarily supports contractual services, equipment, and supplies. This funding is critical to supporting the Department's mandates and priorities.

In Fiscal Year 2023, the last full fiscal year, approximately 289,000 construction jobs were filed with the Department, and we issued approximately 180,000 initial and renewal construction permits combined. This represents a slight uptick in construction job filings from the previous fiscal year. Despite the uptick in filings, the average time to review filings decreased across the board last fiscal year, including for new building applications and for major and minor alterations. So far, this fiscal year, we are seeing a slight decrease in job filings compared to the beginning of last fiscal year and a slight increase in the time it takes the Department to review such filings, with customers waiting just under three days for their job filings to be reviewed. The slight uptick in the time it takes the Department to review filings can be attributed to an increased number of resubmissions after the Department conducts an initial review of a filing and issues objections. Our goal is to continue to promptly complete our initial plan reviews and to ensure that customers know what to expect when their plans are being reviewed by continuing to train our plan examiners to ensure that plan review is efficient and consistent.

Notably, the number of construction jobs filed online in DOB NOW continues to grow year over year as we continue our shift from the Buildings Information System (BIS), a three-decades-old mainframe system. Nearly ninety percent of construction jobs are currently being filed in DOB NOW. When the original scope is fully implemented, DOB NOW will allow our customers to conduct all their business with the Department online, which will lead to greater efficiency and more transparency by allowing building owners, business owners, design professionals and contractors to determine exactly where a construction project is in the approval process.

The wait time between a construction inspection request and an inspection, which occurs after a construction project is completed by a contractor, also continues to be short. While there has been an uptick in the time it takes for a development inspection to be completed due to an increased

demand for inspections and budgetary constraints, such inspections are still being completed within three days of a request in most instances, which includes inspections involving general construction, electrical work, and plumbing work. This progress on development inspection service levels can be attributed to the efficiencies gained from DOB NOW, which allows for all types of development inspections to be scheduled online. This makes it easier for our customers to schedule inspection appointments and offers more precise inspection scheduling.

We also continue to respond to complaints from members of the public expeditiously. We are responding to the most serious complaints, Priority "A" complaints, which are those complaints that relate to conditions that may present an immediate threat to the public, within hours. We are responding to Priority "B" complaints, which capture violating conditions that if occurring, while serious, do not present an immediate threat to the public, within twelve days. As a result of responding to these complaints, and our proactive inspections concerning construction safety, we issued approximately 46,000 OATH summonses last fiscal year. This is a decrease from the previous fiscal year and can be attributed to education campaigns by the Department intended to provide more transparency to the construction industry regarding conditions that will result in enforcement action being taken, greater adherence to construction regulations by the industry, and to the continued implementation of the Homeowner Relief Program, which provides small property owners with the opportunity to address violating conditions before receiving a summons and monetary penalties.

To ensure that safety regulations are being complied with at construction sites, the Department continues to conduct proactive, unannounced inspections of larger construction sites. Last fiscal year, the Department conducted approximately 180,000 enforcement inspections, which was 15,000 more inspections than the previous year. Despite conducting more inspections and finding fewer violating conditions during such inspections, the number of construction-related incidents that resulted in an injury or fatality to a worker increased last fiscal year. Notably, the number of worker falls that did not result in enforcement action being taken by the Department, which means violating conditions were not discovered during our inspection, increased last fiscal year. This is a troubling trend that the Department is investigating further to determine how the issues that

resulted in increased worker falls can be addressed. The Department urges the construction industry to be more vigilant so this troubling trend can be reversed.

The Department is also fulfilling its obligation to address greenhouse gas emissions coming from buildings. We are well positioned, with a dedicated team of energy and sustainability experts, to support the City's goal of achieving carbon neutrality. In addition to enforcing the Energy Code, enforcing existing laws that require certain buildings to report their energy and water use and to perform retro-commissioning, we are also implementing the Climate Mobilization Act. The Climate Mobilization Act requires all new buildings and existing buildings undergoing certain major roof renovations to install a solar photovoltaic system, a green roof system, or a combination of the two, and regulates greenhouse gas emissions at large buildings starting this year. The Department has released rules and guidance to inform property owners about how to comply with the law when they start reporting their progress to the Department on May 1, 2025 for the first time and about how they will be held accountable if they do not comply. This year, we will continue to engage in rulemaking and on the ground implementation. The Administration is committed to supporting building owners as they work to come into compliance.

While I am proud of the strong service levels we are maintaining for both our customers and members of the public filing complaints, we are also taking significant steps to improve quality of life for New Yorkers and to improve building and construction safety. Last summer, the Mayor announced the "Get Sheds Down" plan, a multifaceted approach to removing sidewalk sheds more quickly, while reimaging the sidewalk sheds that are needed to protect the public and in connection with construction work. This builds upon the work of the Department to address longstanding sidewalk sheds, including performing regular inspections and taking legal action to hold building owners accountable for maintaining their buildings. Since the Mayor's plan was announced, we have released solicitations in connection with two major initiatives, which includes redesigning sidewalk sheds to make them less obtrusive and more aesthetically pleasing and to study Local Law 11, which requires buildings greater than six stories in height to have their facades inspected periodically. We have also released guidance to the construction industry regarding the use of netting in lieu of sidewalk sheds and rules regarding the installation of art on sidewalk sheds. Key

proposals in the plan require legislative action and we look forward to working with this Committee to pursue those changes in the near future.

We have also taken steps to strengthen our regulations and hold bad actors accountable in the aftermath of major building incidents that occurred last year, which included a parking structure collapse in Lower Manhattan and the partial collapse of a building in the Bronx.

Following the parking structure collapse in Lower Manhattan, we immediately revisited our regulations to require that every parking structure be inspected by a design professional this year, which significantly sped up the timeline for certain parking structures, some of which would not have been inspected until 2027. Additionally, we revised our regulations to require that an engineer be responsible for performing annual observations of such parking structures. So far, we are seeing promising compliance with the first sub-cycle of the requirement to conduct parking structure inspections, which applied to buildings in Lower Manhattan. We encourage all owners of parking structures not to delay complying with this important requirement as we are committed to holding owners accountable until they achieve compliance.

Following the partial building collapse in the Bronx, we conducted a sweep of all of the properties owned by the owner of the building to determine whether any violating conditions existed at such buildings. Further, we moved to swiftly suspend inspection privileges for the engineer who conducted the latest façade inspection at the building. Last month, we entered into a settlement agreement with the engineer, which resulted in a two-year suspension of their privileges to conduct façade inspections. We are currently reviewing existing regulations related to the qualifications of industry professionals who perform such façade inspections to determine if there are any opportunities to strengthen registration requirements for such private façade inspectors in the interest of public safety.

Given these recent incidents involving existing structures, the Department is doubling down on compliance. We are conducting a comprehensive review of the summonses that have not been corrected, which includes conducting outreach to property owners with open summonses to provide them with guidance about the correction process. While the Department is taking an

education-first approach to this issue, if open summonses are not corrected in a timely manner, we will be performing follow up inspections and will take additional enforcement action to prompt correction. We are also taking a hard look at our enforcement toolbox to determine how we can hold bad actor property owners accountable for maintaining their properties when traditional summonses do not suffice and look forward to discussing this issue with you further. We encourage all New Yorkers to visit the Department's website to determine whether there are any unresolved issues at their properties and to reach out to us with any questions they might have about bringing their properties into compliance.

Thank you for the opportunity to testify before you today. We welcome any questions you may have.



City of New York DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT 100 GOLD STREET, NEW YORK, N.Y. 10038 nyc.gov/hpd

ADOLFO CARRIÓN JR. Commissioner

Testimony of the New York City Department of Housing Preservation and Development to the New York City Council Committee on Housing and Buildings

FY 2025 Preliminary Budget Hearing

March 11, 2024

Good afternoon, Chair Sanchez, Chair Brannan, and members of the New York City Council. I am Adolfo Carrión Jr., Commissioner of the New York City Department of Housing Preservation & Development (HPD) and I am joined by members of our agency's senior leadership team.

As Commissioner — but more importantly, as a lifelong New Yorker — it is my honor to testify before you today on HPD's Fiscal Year 2025 budget. It is also my responsibility to tell you: New York City's housing crisis is at its worst point in over fifty years, putting the city we know and love in serious trouble.

This crisis is deeply personal for me. My family moved from a basement apartment in a tenement in Williamsburg in the 1960s, into an apartment in NYCHA's Jacob Riis Houses on the Lower East Side. From there we moved to a federally supported new development on 12th Street and Avenue C in Loisaida. Eventually we were able to squirrel away enough savings to buy a home in the Northeast Bronx through a Federal Housing Administration mortgage.

So, for folks like me and my family, this crisis – and this budget – isn't really about numbers at all.

It's about the people who make a home in our city. Who raise their children and grandchildren here. Who raise their prospects for a better and brighter future.

Behind all the numbers we share with you today isn't just the bricks we lay and the homes we build. It's about the children, families, working people, and older New Yorkers who live in your districts, and on your blocks. The people who are counting on the City of New York to create, preserve, and protect their homes.

For decades, we've talked about a housing crisis. For many, the term may have started to lose a sense of urgency. But the New York City housing crisis is more real, more relevant, and more dire than ever before. If you're wondering why am I starting with a warning today, instead of diving straight into the numbers, it is because I want to make crystal clear that our single biggest motivator, the driving force behind our budget decisions and budget requests, is the need to solve the housing crisis. Not in the future, not in the next budget cycle, but this year, in this budget.

As we testified before you last week, we recently released the latest New York City Housing and Vacancy Survey – the longest running housing survey in the country. The survey measures, among other things, the number of homes available for rent, a data point called the "vacancy rate". Anything 5 percent or less can be considered an emergency. A vacancy rate under 2 percent is deeply troublesome.

New York City's vacancy rate is now an alarming 1.41% – the lowest recorded since 1968. That means at the time of this survey, for the more than 2.3 million renter households, there were only about 33,000 homes available for rent.

This isn't just a faceless statistic, it's a harsh reality for the diverse and vibrant communities who call this city home. It means families have little to no choice, working people are forced to live in apartments they can't afford, older New Yorkers and those with disabilities can't easily find accessible homes – and as a city, it means our economic and cultural potential is harmed as middle- and low-income people are forced out.

Hope for Housing & our Moonshot Goal

The Mayor set a moonshot goal of 500,000 homes created and preserved—because *that's* what it will take to solve the housing shortage and homelessness crisis—and we are moving full steam ahead to make this a reality.

In the past two years, the City broke record after record to create and preserve as many homes as possible while getting people into apartments as quickly as possible.

In calendar year 2023, HPD closed on financing for the creation of an all-time record-breaking 14,227 new affordable homes.

We also directly connected more New Yorkers to homes than ever before, bringing nearly 13,000 households into affordable units this past calendar year. Nearly 10,000 of those connections were through Housing Connect lotteries. Another 3,000 households left shelter to move into HPD homeless set aside units, an increase of more than 30 percent from 2022 to 2023.

Overall, HPD and HDC financed a total 27,911 units in calendar year 2023 through new construction and preservation projects, an increase of 80 percent from 2022. We focused on new homes for the most vulnerable New Yorkers – setting records by creating 3,926 new homes for New Yorkers who had experienced homelessness and 1,670 new supportive homes with restricted rents and social services.

Despite immense challenges, every team at HPD with our partners at HDC are working tirelessly and it's making a difference for the people we serve, the people who depend on us. We are optimistic but we are not declaring victory. These milestones are important and mean we are helping more New Yorkers, more vulnerable families, more individuals that will benefit from supportive services, and more older New Yorkers, than we have in the past, but the need continues to be great.

This Housing Crisis can only Be Tackled Together

When it comes to working with this Council to solve the housing crisis, I am lifted by the success we've shared. Together we've moved new projects through the land use review process, we've approved tax abatements that ensure long term affordability for thousands of families, we've invested in rehabilitation efforts that will stabilize some of our most distressed buildings, and we've advanced a fair housing framework that will improve access and equity in the city. In fact, after the last two years, I am optimistic.

This year, we are going to need the full court press! To win—to create a city where all our friends and neighbors can build lives, raise families and grow old—we can't sit back and wait on defense. We need to create more tools. We need to find more opportunities. We, collectively, will need to be more proactive. We will need to work together to convert the resources in our 2025 fiscal year budget into housing wins citywide.

HPD's 2024 Budget Overview

Like any good team, we need a shared understanding of the resources and challenges.

On that front, I want to start with some key numbers:

- \$1.79 billion: HPD's Fiscal Year 2025 total expense budget.
- \$1.57 billion: HPD's operational and programmatic budget. The remaining \$217 million serves as a pass through for NYCHA.
- 20 plus: The number of individual funding sources that flow into HPD's budget.
- \$762.3 million: a significant 48%, is from the City's own resources.
- 2.660: The number of full-time staff on HPD's budget. This includes:
 - 356 staffers dedicated to building and preserving affordable homes
 - o 380 inspectors and inspector supervisors keeping our city safe
 - o 225 positions remain open, and our current staff vacancy rate is down to 8.4%.
- \$12 million the budget that supports our Neighborhood Planning teams, serving as a lifeline for neighborhoods to make sure that new affordable housing works for communities.
- \$126 million: the budget for our Enforcement and Neighborhood Services teams, the backbone of safety and security for our communities. Our inspectors ensure that every family can lay their heads down in a home that offers safety, warmth, and prosperity.
- \$677 million: the budget for our Housing Access teams, who provide subsidies, placement services, and tools that connect New Yorkers to affordable housing and ensure vulnerable households in subsidized housing have the support they need to be safely housed.

Creating and Preserving Affordable Housing

We're going to stay laser focused on our mission to create and preserve affordable homes, especially for vulnerable, low- and middle-income New Yorkers. We're constantly working to find ways to finance deeper affordability and to partner with community partners to provide wrap around services to better serve New Yorkers.

Our development team is currently comprised of more than eight teams who are working on hundreds of projects. Everything from converting hotels and commercial buildings into affordable homes to helping homeowners create safer basements to rent out at affordable rates.

Fostering Equitable, Strong & Diverse Neighborhoods

Communities are central to developing solutions for the future of their neighborhoods. We aren't just here to build homes and protect tenants, we also are deeply committed to helping to build communities and support the New Yorkers who are the backbone of our city. That means real, on the ground neighborhood planning.

HPD's Office of Neighborhood Strategies and partner City agencies are working with communities throughout the city to plan for the preservation and development of affordable housing in a manner that fosters more equitable, diverse, and livable neighborhoods.

In the next year, we're working with the Department of Environmental Protection to develop a comprehensive vision for the Jewel Streets neighborhood in East New York that will pair planned investments in green infrastructure with new housing and community amenities in a neighborhood that has been forgotten and ignored by past administrations.

We are advancing affordable housing projects on multiple public sites across the city, putting into motion a significant piece of Mayor Eric Adams' 24 in 24 plan announced in his recent State of the City address. Through the 24 in 24 plan, we – along with our partners at NYCHA and EDC – are advancing 24 affordable housing projects on public sites in 2024 that will ultimately create or preserve over 12,000 units of housing. The development of these sites will be guided by robust community engagement that ensures local priorities are at the forefront of every public site project.

Enforcing the Housing Code and Protecting Tenants

Our Enforcement and Neighborhood Services team almost never gets acclaim, but they truly are the unsung heroes keeping tenants safe. Each day, our team responds to housing complaints and issues violations, holding landlords accountable. By intensifying our focus on self-closing doors and fire safety protocols, inspections yielded a significant increase in violations, issuing nearly 50,000 in FY23. Our team also intervenes to make emergency repairs when landlords fail to address hazardous conditions, prioritizing the health and safety of New Yorkers.

Through litigation efforts, including securing orders to correct and civil penalties, the appointment of 7A administrators or even jail time when warranted, we have enforced the laws against some of the most notorious landlords. Just this morning, we announced that New York City's worst landlord will soon be arrested. HPD secured a warrant for arrest and commitment to civil jail for notorious landlord Daniel Ohebshalom for neglecting two Washington Heights buildings with 700 open violations and dangerous conditions. We continue to escalate enforcement at Ohebshalom's other properties as well as against any landlord who thinks they can flout the law. This Administration prioritizes health and safety of tenants, escalating action against negligent landlords to the full extent of the law.

We encourage you all to find out more our efforts through our new *ABCs of Housing* and we look forward to bringing this information about tenants' rights, owner responsibilities, and all of the City's resources to tenants and property owners as we engage in our HPD In Your District outreach this summer.

Managing HPD's Property

Our Division of Asset and Property Management is responsible for ensuring the longevity and affordability of units the agency has created and preserved. We're focused on proactively identifying atrisk buildings and portfolios to stabilize struggling and mismanaged assets. The division tracks real-time information on the physical and financial condition of properties. This tracking is used as an early warning system to detect and mitigate potential risks to buildings. Working with owners, partners, and the Office of Development, the division helps reposition projects using a variety of approaches including financial assistance, management changes, and ownership changes.

We also oversee the Tenant Interim Lease (TIL) program, which trains and assists tenant associations in City-owned buildings to develop economically self-sufficient low-income cooperatives. Not to mention the important and severely underfunded portfolio of City-sponsored Mitchell-Lama developments. HPD and HDC are working to address the rehabilitation needs of the aging Mitchell-Lama stock and preserve the long-term affordability of all remaining City Mitchell-Lama units.

Fight with Us

Even with our budget requests met, we can't win this fight without legislative changes at both the City and State levels.

New York City's supply of available housing simply cannot keep up with the demand to live here so we need your help to approve new tools and land-use changes.

Here at home, we need the City Council and our neighbors to help create a "City of Yes", a set of zoning changes we can make happen at the city level to create a little more housing in every neighborhood. City of Yes focuses on tailored policies to support more housing, from the highest-density to lowest-density areas. Taken together, these small changes will have a big impact on New Yorkers' housing needs without over-burdening any one area's infrastructure or creating the dramatic change that New Yorkers often fear. Approving this citywide change to what is and isn't allowed to be built here stands as a critical step toward creating a healthier housing market.

Amid this challenging landscape, we extend a heartfelt plea to each one of you: stand with us to pass comprehensive legislation at every level of government to help create new homes. Changes in State law would encourage new affordable housing construction to alleviate the shortage of homes and support middle- and low-income families.

In Albany, we must create a new affordable housing tax incentive, facilitate office conversions for affordable homes, create safe basement apartments, and remove the cap on floor-area-ratio to allow for the construction of more affordable homes.

In Washington, we need Congress to act with urgency and do everything in their power to provide the federal resources to tackle our growing affordable housing crisis. While we were relieved to see Congress largely spare our most critical federal housing programs from drastic cuts in the FY24 spending deal, these federal investments are vastly insufficient to meet the affordable housing needs of New Yorkers. More must be done. First, the Senate must follow the House's lead and immediately pass *The Tax Relief for American Families and Workers Act*, which includes two critical affordable housing tax provisions that could help finance an additional 4400 affordable homes in New York City over the next two years

alone. Also, our Congressional leaders must pass FY25 spending bills with the highest levels of funding possible for the federal housing programs our city needs to continue building and maintaining our affordable housing stock.

We won't stop fighting till every New Yorker has a safe, stable and affordable home.

As we grapple with the economic pressures and the stark reality of a 1.4% vacancy rate, we must remember that solutions are within reach. It should come as no surprise that any New Yorker who has needed a new apartment, struggled to pay rent, or to make ends meet could tell you that there aren't enough homes here.

Let's transform our experiences into a force for change. Let's champion policies that pave the way for a city where everyone, regardless of income, can find solace, stability, and a place to call home. This might be the city that never sleeps, but together we can make sure it's also a city where everyone has a safe, stable and affordable home to lay their head at night.

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STATEMENT OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS TO THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDINGS MARCH 11, 2024

Good afternoon,

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. Thank you very much to Chair Sanchez and members of the Committee on Housing and Buildings for holding this hearing and allowing me the opportunity to provide a statement. My statement will address the ongoing housing issues and building violations that are overseen by the Department of Housing, Preservation and Development ("HPD") and the Department of Buildings ("DOB").

New York City's housing crisis has progressively worsened over the past couple of years with the COVID-19 pandemic exacerbating it in every aspect. Our housing agencies have faced high attrition rates with HPD losing nearly a third of its full-time employees, many of whom were experienced staff, in the period between April 2020 and October 2022. As of January 2024, HPD's vacancy rate was 7.7 percent, a total of 205 vacancies. While there are clear indications that HPD has rebounded from pandemic lows with production in FY23 rising from the low point of the previous fiscal year, staffing shortages continue to negatively impact the agency's capacity. The average time for capital project completion has increased as well as median times for application approval in the housing lottery, up to 192 days from the previous median of 88 – leaving affordable units sitting empty for months on end. Finally, according to the Preliminary Mayor's Management Report, within the first 4 months of Fiscal Year 2024, HPD issued more violations for hazardous conditions including 12 percent for class A non-hazardous violations. December 12 percent for class C immediately hazardous violations.

With a vacancy rate of 5.6 percent, DOB faces similar staffing challenges, having met only 43 percent of its goals in the first few months of FY24.⁵ From building and parking lot collapses to dangerous crane incidents, there is a concerning trend in overall infrastructure and building safety. According to the

¹"Building Blocks of Change: A Blueprint for Progress at NYC's Housing Preservation and Development". NYC Office of the Comptroller. February 8, 2024.

 $[\]frac{\text{https://comptroller.nyc.gov/reports/building-blocks-of-change/\#:~:text=From\%20April\%20200\%20until\%20October\%202022}{\%2C\%20almost\%20a\%20third\%20of.net\%20loss\%20of\%20286\%20staff.}$

² "Report on the Fiscal 2025 Preliminary Plan and the Fiscal 2024 Preliminary Mayor's Management Report for the Department of Buildings".

³ "Building Blocks of Change: A Blueprint for Progress at NYC's Housing Preservation and Development". NYC Office of the Comptroller. February 8, 2024.

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⁴ "Department of Housing Preservation and Development". www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/hpd.pdf

⁵ Mays, Jeffreys. "New York's Difficulty in Filling Job Vacancies Has Hurt City Services". *New York Times*. March 6, 2023. https://www.nytimes.com/2023/03/06/nyregion/nyc-workers-hiring-vacancies.html



Preliminary Mayor's Management Report, enforcement inspections fell 4.3 percent even as development inspections completed rose by 9.5 percent. DOB also issued fewer violations and average wait times for construction and plumbing inspections increased as a result of ongoing budget constraints and staffing shortages.⁶ Finally, the number of jobs professionally certified by a licensed architect or engineer decreased by 8 percent in the first four months of FY24 while construction-related incidents increased.⁷

Finally, I want to highlight a recent trend in all five boroughs—fires and crippling infrastructures. The Bronx, in particular, has experienced so many tragedies due to landlord abandonment and neglect and it's no surprise that these fires are taking place in communities of more color. There has been an increase in lithium-ion battery fires throughout the city. In 2022, these batteries caused 220 fires and six deaths and in 2023 they caused 243 fires and 17 deaths and 124 injuries. The most recent lithium-ion battery fire that took place last month in Harlem causing the death of Fazil Khan, a young journalist, was truly a tragic incident that could have been prevented. Many residents are displaced and unable to return home every time a fire occurs. Consequently, the City provides them with temporary shelter, emergency housing vouchers, and relocation assistance. It is critical that we maintain the ample funding that provides these vital services to residents that survived a fire. In addition, we need more inspectors who can identify violations that can potentially cause collapses and fires as well as addressing emergency complaints.

I hope during today's hearing the administration will provide more information on the three issues I highlighted in my statement. We cannot have unsafe and weakening infrastructure that puts New Yorkers at risk everyday. I would also like to know if the administration plans to end the hiring freeze and meet the goal of being fully staffed for HPD and DOB.

⁶ "Report on the Fiscal 2025 Preliminary Plan and the Fiscal 2024 Preliminary Mayor's Management Report for the Department of Buildings".

⁷ Ibid.

⁸ Corrado, Katie. "2 people injured in NYC fire; lithium-ion battery is possible cause: officials". *Pix11*. November 20, 2023. https://pix11.com/news/local-news/manhattan/2-people-injured-in-nyc-fire-lithium-ion-battery-is-possible-cause-officials/#:∼:text =%E2%80%9CThere's%20not%20an%20awful%20lot,220%20fires%20and%20six%20deaths.

⁹ Maslin Nir, Sarah. "E-Bike Battery Caused Fire That Killed Young Journalist, Officials Say". *New York Times*. February 28, 2024. https://www.nytimes.com/2024/02/28/nyregion/fazil-khan-fire-lithium-ion-battery.html



REBNY Testimony | March 11, 2024

The Real Estate Board of New York to

The City Council's Committee on Housing and Buildings on the Department of Buildings Preliminary Budget Hearing

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY appreciates this opportunity to comment on the Department of Building's (DOB) preliminary budget.

The DOB is a key partner to those who own, manage, and live and work in New York City buildings. It is an agency tasked with incredibly complicated work that touches on everything from building new multifamily housing, improving office buildings, advancing sustainability, and promoting worker safety. thoroughly and efficiently processing building plans to ensure they are code compliant and ensuring the safe operating of construction sites, DOB plays a vital role in the city's real estate ecosystem.

It is critical that DOB be appropriately resourced in order to achieve these objectives. Doing so is a good investment because the real estate industry is the biggest contributor to the City's tax revenues, contributing \$36.4 billion in Fiscal Year 2024 (equal to 50% of locally-gathered tax revenues).

For these reasons REBNY encourages the City Council to fully fund the DOB. Thank you.

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Testimony to the NYC Council Preliminary Budget Hearing Committees on Housing and Buildings, March 11, 2024 Association for Energy Affordability

Madame Chairperson Sanchez and Committee members, thank you for the opportunity to testify at the Preliminary Budget Hearing of the Committee on Housing and Buildings and for your dedicated leadership.

My name is Martha Sickles, and I am speaking on behalf of the Association for Energy Affordability, Inc. (AEA). AEA, founded in 1990, is dedicated to achieving energy efficiency and transition to clean energy in new and existing buildings to foster and maintain affordable and healthy housing and communities, especially those of low income. The success of this work depends on effective implementation of the City's building decarbonization and energy efficiency policies carried out by city agencies that require adequate funding to implement the leading-edge Climate Mobilization Act (CMA)passed by the City Council in 2019 including LL97.

As 70% of NYC's carbon emissions result from its buildings and approximately 50,000 of NYC's one million buildings fall under Local Law 97's requirements, NYC must seize this opportunity to further the transformation of the energy sector. We should look to LL97 as an economic development engine to fuel the energy market transformation that, if led properly, will result in many benefits for all New Yorkers: green and healthy buildings, pollution reduction, greater sustainability and resiliency, mitigation of costly extreme weather events, and a wealth of economic and employment opportunities to balance racial, socio-economic, and environmental inequities permeating NYC.

However, for many building owners, LL97 compliance over the years is a great challenge. AEA works with government and the private sector to address the technological and financial challenges to building decarbonization and energy efficiency upgrades. We appreciate the actions in the administration's City of Yes that remove administrative and zoning constraints to building retrofits. AEA, in collaboration with various coalitions, are currently reviewing the New Efficiency New York proposals from the joint utilities and NYSERDA to the Public Service Commission for funding of energy programs from 2026 to 2031 as well as advocating for critical legislation in Albany designed to eliminate fossil fuels from buildings and provide greater financial support for energy projects and energy cost burdens of low- and moderate-income New Yorkers. We worked with the Climate

New York California





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Works for All Coalition in developing recommendations for the NYC budget to address the challenges of LL97and building decarbonization.,

Several NYC agencies are tasked with roles in the implementation of LL97 including the Dept. of Buildings, Dept of Administrative Services, the Dept. of Environmental Protection, the Department of Housing Preservation and Development and the Mayor's Office of Climate and Environmental Justice.

The Office of Building Energy and Emissions Performance (OBEEP) at the Dept. of Buildings, established to manage the implementation and rulemaking of LL97, has made great strides over the past several years with rulemaking and preparing for the first compliance period. Previously we learned that only 11 positions were currently funded at OBEEP but heard today that close to the 10 additional positions we estimated would help support the implementation of LL97 have been added. Our recommendation includes 5 data analyst positions funded at \$850,000 and 5 inspectors costing an additional \$750,000. requiring a total of \$1.6 million in DOB's budget for OBEEP for this staff dedicated to LL97 implementation. It is imperative that lack of trained staff not be an impediment to building owners' efforts to comply with the Law.

We suggest you Fund additional 3-5 staff positions at Department of Housing Preservation and Development (HPD) to increase staff capacity dedicated to affordable housing LL97 compliance requiring an estimated additional \$480,000 in HPD's budget.

In last year's comments, I suggested that a portion of the funding from the Mayor's Office of Climate and Environmental Justice to the NYC Accelerator be redirected to local NYC organizations particularly in underserved neighborhoods, approximately \$5 million a year. The NYC Accelerator has developed good information and tools to aid building owners and residents understand the need and methods to reduce their carbon emissions. However, local organizations with day-to-day contact with community residents are best positioned to improve local education, outreach, and technical assistance on LL97 compliance, supported by DOB, utility, and the Accelerator staff.

AEA is the primary implementer with Solar One and the Center for New York City Neighborhoods of the NYSERDA funded Clean Energy Hubs in the Bronx and Brooklyn. We also provide capacity building and support local organizations in providing energy education and engagement in their communities through the Better Buildings New York Coalition. More support for local organizations would be welcome.

I thank the Council for the opportunity to testify today.

New York California





Testimony Before the New York City Council Housing and Buildings Committee Regarding Priorities for the New York City Fiscal Year 2024-2025 Budget

March 11, 2024

Thank you to Committee Chair Sanchez, and members of the Housing and Buildings Committee for the opportunity to testify on the housing and homelessness-related proposals in the Mayor's Fiscal Year 2023-2024 Budget.

About the Association for Neighborhood and Housing Development (ANHD)

ANHD is one of the City's lead policy, advocacy, technical assistance, and capacity-building organizations. We maintain a membership of 80+ neighborhood-based and city-wide nonprofit organizations that have affordable housing and/or equitable economic development as a central component of their mission. We are an essential citywide voice, bridging the power and impact of our member groups to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers. We value justice, equity, and opportunity, and we believe in the importance of movement building that centers marginalized communities in our work. We believe housing justice is economic justice is racial justice.

ANHD's work directly supports the needs of our members who develop, manage, and organize to preserve affordable housing, and who fight to bring equity into low-wealth communities in New York City—especially communities of color. Our groups rely on us for technical assistance and capacity-building resources that allow them to maximize their resources, skills, and impact. The support services, research, analysis, public education, and coalition building we do helps to identify patterns of local neighborhood experiences and uplift citywide priorities and needs. Our work translates into the capacity to win new programs, policies, and systems that ensure the creation and preservation of deeply and permanently affordable housing, and economic justice.

Fund the Community Housing Preservation Strategies (CHPSI)

New York City's housing availability and affordability crisis has continued to grow in the wake of the COVID-19 pandemic along with rising economic instability and inflation. Rents in NYC have reached a historic high, leaving the majority of NYC rent burned, with half of those facing extreme rent burden, and a growing homeless population.

As NYC neighborhoods struggle to confront the persistent threat of displacement, the crisis is most acutely felt by communities of color, low-and-moderate income communities and immigrant communities. Funding for the Community Housing Preservation Strategies initiative has not been updated since 2016, meanwhile, the cost of providing services has significantly increased,



leaving communities with less support at a time when it is most needed. This moment requires a commitment to strengthen programs and services that reflect the current reality and complexity of needs.

We seek the Community Housing Preservation Strategies initiative to be funded at \$4.95 million in the FY 25 budget, ensuring the capacity of the program to adequately respond to the deepening housing challenges, and a needed cost of living increase for the front-line workers who have been working side-by-side with marginalized tenants fighting unfair evictions and offering direct aid to NYC residents at risk of displacement from their homes.

Funding to local groups under this initiative is determined by City Council Members who help select the CBO's most able to help address housing issues plaguing their neighborhoods and should be distributed equitably across neighborhoods and districts. This investment is strengthened by additionally providing support to the Association for Neighborhood & Housing Development, Inc. (ANHD), which offers individual and group technical assistance and capacity-building support to CBO's, as well as general contract management support. ANHD's expertise in this housing initiative ensures funded CBOs have direct access to current trends and solutions for affordable housing, and information that can increase effectiveness at the local level.

\$4.95 million for the Community Housing Preservation Strategies in FY 25 will fund ANHD and 45+ CBOs to protect low-income, BIPOC, and immigrant tenants and homeowners across New York City. Collaboratively, we will fight evictions, displacement, and protect tenants - especially on safety issues like fire prevention and heating, support code enforcement, offer housing court assistance, support apartment repossession, and provide other housing-related public education. The Community Housing Preservation Strategies initiative, funded at \$4.95 million in FY 25, will ensure:

- Tenant-focused non-profit housing providers can restore support services to adequately address the unique housing needs of their communities.
- 45+ tenant support housing providers can employ front-line workers to directly work with tenants in apartments and small homes. These staff will ensure:
- 17,600+ tenants and homeowners engage in culturally competent training, meetings, and events.
- 18,900+ tenants and homeowners receive counseling support services in their community
- 5,400+ tenants and homeowners have referrals to and connections with additional support services.
- 450+ tenant associations receive support.
- ANHD coordinates and supports the 45+ funded CBOs with individual technical assistance and capacity-building support, related group-based training and convenings



that will help them improve their tenant protection skills and strategic housing research capacity.

- Staff at CBOs have direct access to ANHD staff and targeted training options that help them improve their tenant protection skills, and their strategic housing research capacity.
- The creation of a Housing Risk Chart that helps local stakeholders and community groups identify the key threat to affordability in their neighborhood.
- The creation of an AMI Cheat sheet to provide information on how Area Median Income relates to New York City housing need.
- Technical assistance on land use and housing to Council Members and staff involved in this initiative and who are interested in preserving affordable housing.
- Continue to maintain and improve the Displacement Alert Project. Renewed funding will allow us to:
 - Continue a comprehensive user-centered redesign of the DAP Portal data tool to dramatically improve user experiences, building off of in-depth interviews with users about necessary improvements
 - Develop tutorials and training materials that will help users independently learn to use DAP Portal for basic and advanced needs
 - Ensure data is accurate and up to date across the website
 - Increase the frequency and reach of hands-on trainings to council members and their staff, community-based organizations, advocates, legal services providers, and other stakeholders
 - Continue to advocate for public data related to affordable housing displacement,
 which will strengthen the utility of the tool and its equity impacts
 - Continue to publish timely data analyses, visualizations, and research products to support anti-displacement policy and advocacy

Agency staffing

We urge the city to fully fund housing and homelessness agencies at a level that allows them to properly serve their role, implement and enforce legal requirements, and serve the role that tenants, shelter residents, voucher holders, affordable housing developers, and the public as a whole. This includes doing away with destructive PEG proposals, restoring past cuts, and ensuring staffing levels that will allow agencies to function as they should.

HPD

Inadequate HPD staffing affects tenants and affordable housing developers alike. HPD must be funded to have sufficient staff to properly enforce the housing maintenance code, including inspectors to respond to tenant complaints and also do proactive enforcement, and legal staff to



pursue housing court cases that actually hold landlords accountable for their recorded violations.

HPD is involved in the vast majority of affordable housing being produced, and we have seen in the past couple of years the effect of the staffing shortages on this side as well. 12,000 fewer apartments were built in 2022 compared to pre pandemic numbers, according to the Comptroller's office ¹. The staff shortages have caused delays in affordable housing production, meaning HPD would need to increase its production by about 42% in the upcoming fiscal year simply to meet its preexisting goals². These delays also directly impact affordable housing developers, and particularly non-profit developers, who are left carrying expensive pre-development and construction loan costs for longer before they can close and convert to permanent financing. Although HPD has made great efforts to undo its shortages, hiring about 863 full time employees in the past six fiscal quarters, the loss of institutional knowledge and experience cannot be diminished. There is still a significant backlog of affordable housing projects from the past two years requiring us to give HPD all the resources we can to ensure that we recuperate from the loss in production.

DSS & HRA

In the midst of an unprecedented homelessness crisis in New York City, the agencies responsible for safely sheltering unhoused New Yorkers and helping them to access stable permanent housing need additional funding. We know that one of the best solutions to overcrowding in the shelter system is to help folks access permanent subsidized housing, and simultaneously prevent more families from becoming homeless. The package of CityFHEPS laws passed in summer of 2023 are a critical part of making these solutions a reality. Now that the CityFHEPS expansion bills are law, we must have them fully implemented and funded. CityFHEPS is one of the key programs that helps those in shelter access permanent housing, which in turn helps alleviate overcrowding in the shelter system itself. The expansion of the program will also allow New Yorkers to more easily use vouchers to prevent eviction and thereby avoid entering the shelter system. We know that avoiding housing instability facilitates people getting higher wages, lower healthcare costs, and higher educational and workforce prospects³.

¹ Lane, Charles. "NYC Comptroller: Staffing Shortage Led to Fewer Affordable Homes, Longer Delays." Gothamist, February 8, 2024. https://gothamist.com/news/nyc-comptroller-staffing-shortage-led-to-fewer-affordable-homes-longer-delays.

² Lane, Charles "NYC Comptroller"

³ Chatterjee, Debipriya, Samuel Stein, Oksana Mironova, and Jennifer Hinojosa. "To Fight Homelessness, House the People (Part 2): A Deeper Dive into the Costs, Benefits and Savings of CityFHEPS Reform and Expansion." Community Service Society of New York, June 20, 2023. https://www.cssny.org/news/entry/to-fight-homelessness-house-the-people-part-2-city-fheps-costs-benefits-savings-nyc.



As the Administration has claimed that logistical, staffing, and budget constraints are preventing them from implementing the new CityFHEPS laws as required, the executive budget should reflect this need, and we encourage that funding be provided. Additionally, we support increased baseline funding to allow more CityFHEPS vouchers to be provided.

Although expanding the program to families facing eviction will cost the city about \$8 billion dollars, it will save the city about \$5 billion in shelter in rehousing costs, making the net cost about \$3 billion over 5 years⁴. We can only begin to measure the benefits this expansion will have not only on the families that benefit from the program, but our city as a whole. We took the first step in creating a wider and more robust safety net, and now our budget must reflect the needs of New Yorkers and the laws we have passed.

Finally, the DSS budget should reflect an accurate assessment of the cost to house asylum seekers without resorting to inhumane and illogical measures such as time limits in shelter, and to provide the case management needed to help our newest New Yorkers access work authorization and other programs that enable them to move forward in their new lives.

Commission on Human Rights

While discrimination, including Source of Income Discrimination, is illegal in New York City, it is nonetheless incredibly common, and poses a serious impediment to voucher-holders seeking permanent housing. More broadly, pervasive discrimination by landlords, real estate agents, and others prevents far too many New Yorkers from accessing the housing they wish to live in, and contributes to ongoing disparities in housing quality, security, and affordability for BIPOC, immigrant, and voucher-holding households. We urge the city to increase funding for the New York City Commission on Human Rights to better enforce housing discrimination laws. At minimum, capacity should be increased to 2018 staffing levels, which would be an estimated cost of \$3 million in new funding for the Commission's Law Enforcement Bureau in FY25.

Emergency Preservation Funds for Non-Profit Affordable Housing Providers

New York's affordable housing stock is at serious risk due to unaddressed rent arrears accumulated during the height of the pandemic. ANHD and our members have been ringing the alarm bells since the onset of the COVID pandemic in 2020. The deprioritization of income-restricted housing in New York's Emergency Rental Assistance Program led to the disheartening result that many of our affordable housing developments continue to carry increasingly unsustainable deficits from rent arrears. Non-profit, mission-driven developers are particularly vulnerable because they generally operate on razor-thin margins in order to

⁴ Chatterjee, "To fight homelessness, house the people"



maximize affordability in their buildings and services in their communities. They do not have past profits or income from market-rate buildings in their portfolios to help make up these gaps, and many are experiencing challenges with being able to pay vendors, to contribute to capital reserves, to renovate units for re-rental, and pay their mortgages.

If New York does not address rental arrears now, not only do we risk losing affordable housing units, but many of New York's lowest-income tenants will be at risk of displacement and homelessness. Mission-driven providers are doing all they can to avoid evicting tenants with significant rental arrears, but have almost no remaining options. The City must do it's part to intervene to place our affordable housing stock back on sound financial footing and avoid further worsening our already untenable homelessness crisis. We urge the City to budget \$250 million in Emergency Preservation Funds in the Fiscal Year 2025 to keep our affordable housing in sound financial and physical condition and keep our lowest-income tenants housed.

Housing Capital

ANHD supports the Homes Now, Homes for Generation campaign, calling on the City to invest an additional \$2 billion above and beyond the existing 5 year housing capital plan to preserve and build permanently affordable, community-controlled housing in NYC over the next 4 years. This includes

- \$1 billion for the Neighborhood Pillars program, which enables non-profit, mission-driven developers acquire existing distressed, at-risk, or available for-profit-owned housing, rehabilitate it, and preserve it as a permanently affordable housing resource for the community.
- \$1 billion for the Open Door program, which finances the new construction of multi-family shared equity co-operatives. This program gives low and moderate-income New Yorkers a path toward homeownership. For thousands of New York families left out of the traditional homeownership market, the shared equity model provides an opportunity to build generational wealth while also maintaining a degree of affordability for future homeowners.

NYCHA Capital Needs

Public housing remains New York City's most important source of deeply and permanently affordable housing. Ongoing, chronically poor housing conditions impact residents' employment, children's schooling, and increase healthcare needs. NYCHA residents, like all New Yorkers, are entitled to safe and healthy homes. New York City must prioritize NYCHA residents as core members of our communities and NYCHA housing as a key piece of the City's affordable housing plan.



The contracting process for discretionary funding is inefficient and results in significant delays in payments for organizations. ANHD and many in the NFP sector call for a more efficient discretionary funding process.

To that end, we ask that the City contribute \$3.55 billion towards our public housing stock's capital needs, which will preserve 15,000 affordable homes.

Right to Counsel

ANHD calls on the City Council to defend Right to Counsel, one of our best ways to protect tenants who are facing eviction and displacement and may have viable options to stay in their homes, including one-shot deals and vouchers. New York City's Right to Counsel has been gravely weakened by an unwillingness by the courts to slow cases until eligible tenants can obtain representation that they are entitled to, resulting in over 46,000 tenant households that have faced eviction alone. Underfunding is also a major source of the problem, which is why the city must fully fund Right to Counsel with at least \$351 million this year. The Office of Civil Justice (OCJ), which was created to implement Right to Counsel, has instead taken a back seat and done little to advocate for tenants' rights to representation. In addition to full funding, we urge the City Council to publicly support the Right to Counsel Coalition's demands to OCJ, Chief Judge Rowan Wilson, the Office of Court Administration, and the state legislature.

<u>Address Skyrocketing Insurance Premiums</u>

ANHD's members, and the affordable housing industry overall, have witnessed dramatic increases in insurance premiums in recent years, even before the COVID-19 pandemic began. Just as disturbingly, our members report that insurance carriers are declining to offer quotes for buildings in some neighborhoods, particularly in the Bronx, or offering quotes two- to three-times higher than other neighborhoods. Insurance carriers also use tenants' income or source of income to deny or hike up insurance costs. This discrimination is unacceptable and amounts to modern-day redlining.

High insurance costs have a direct effect on the construction and preservation of affordable housing, and will decrease the number of units we can create with our limited housing dollars. Non-profit housing developers like ANHD's members are especially impacted by this issue because they have so little slack in their operating budgets. A dramatic increase in building operating costs due to higher insurance rates means less organizational resources for staff, social services, and building maintenance. High premiums, deductibles, and exemptions are severely threatening existing affordable housing portfolios, which are underwritten to standards that are no longer a reality.

⁵ https://www.righttocounselnyc.org/nyccrisismonitor



We support any efforts at the State and City level that prohibits insurance companies from discriminating against affordable housing and tenant source of income in their policies. Any change must also come with penalty and enforcement language so the costs of noncompliance are clear to both insurance companies and the NYS Department of Financial Services as the regulator.

City Contracting Reform

For years, the City's onerous procurement process has created considerable registration delays that hinder the ability of its vendors, especially nonprofits, human service providers, community development corporations, and our local M/WBE small businesses, to get paid on time. The contracting process for discretionary funding is inefficient and results in significant delays in payments for organizations. ANHD advocates for a more efficient discretionary funding process.

There are a series of City Council bills that would begin to address some of these issues. We are calling for the City Chief Procurement Officer to conduct a study and issue a report on the timing and duration of the City's procurement process and for the Procurement Policy Board (PPB) to then set procurement timelines as required under the City Charter. City agencies should be required to inform vendors, the Mayor and City Council of the reason for any late payments. And critically the City should require interest to be paid on late payments under city contracts with non-profit organizations.

A specific item of concern for ANHD and our members is that nonprofits with government contracts be allowed contract amendments and increased funding to account for increased costs to comply with Local Law 97.

Cola for Human Service Workers

City-contracted nonprofit human services workers are some of the lowest paid workers in our economy. Although the City relies on these workers to provide essential services to millions of New Yorkers, it sets poverty-level wages in their contracts. We support and ask the city to fully fund a 5% cost of living adjustment (COLA) for city contracted human service workers in the FY25 City budget, at an approximate cost of \$150 million dollars.

Our asks create equity for similar work. City contracted-human services workers deserve the same pay as City workers who do the same job, and our communities deserve to have adequately staffed and funded programs. These workers should receive the same compensation for their work, irregardless of where they are working. It will prevent staff turnover in an industry that we cannot afford to lose people in.



Thank you again for the opportunity to testify. If you have any questions or for more information, please contact Israel Sanchez: <u>israel.s@anhd.org</u>.



WRITTEN TESTIMONY FOR THE NEW YORK CITY COUNCIL, HOUSING AND BUILDINGS COMMITTEE, PRELIMINARY BUDGET HEARING BY BROOKLYN LEGAL SERVICES CORPORATION A

March 11, 2024

Dear Chair Sanchez and members of the Committee on Housing and Buildings,

My name is Jessica Rose and I am testifying on behalf of Brooklyn Legal Services Corporation A ("Brooklyn A").

Brooklyn A has submitted applications for renewed funding in Fiscal Year 2025 for its Preserving Affordable Housing (PAH) Program, which provides legal representation and legal education and advocacy strategies to preserve and protect affordable housing, prevent eviction, combat tenant harassment and discrimination, and helps tenant organizations marshal the power of strength in numbers to protect the right to safe and sanitary housing. Last fiscal year our PAH Program helped more than 3,300 individuals to maintain housing stability and supported 54 tenant associations to fight for habitable living conditions. This year we are applying for \$550,000 in funding under Legal Services for Low Income New Yorkers (LSLINY) and Legal Services for the Working Poor (LSWP), as well as other initiatives. While the need for these services has increased significantly, and costs for providing services have increased, LSLINY has not been increased since Fiscal Year 2021 and LSWP was only increased last fiscal year, after multiple years of level funding.

Our applications reference number for LSLINY and LSWP funds is 161639; our application for funding from the Foreclosure Prevention Programs and Support Our Older Adults is reference number 160114.

A combination of a dwindling stock of affordable apartments, surging rental rates and the financial hardship of the pandemic affecting many New Yorkers means the need for legal services still dramatically outweighs the capacity of the legal service providers across the city. Evictions have remained sky-high since NYC's pandemic eviction moratorium was lifted in January 2022. According to city records, city marshals have carried out 15,000 residential evictions since January 2022. Evictions are surging across New York City, with



the monthly rate of illegal lockouts mirroring pre-pandemic numbers in the second half of 2023. Access to free legal services makes a significant difference in the outcome of eviction proceedings: data from 2022 showed 78% of tenants with a lawyer in eviction proceedings were able to stay in their homes and avoid facing the streets or the overloaded shelter systems.

Brooklyn A's aggressive housing practice prevents thousands of evictions of low-income tenants and their families each year by securing repairs and essential services; helping families obtain the benefits they need to pay rent arrears and afford future rent; and contesting illegally high rents, slowing the increasingly rising rent costs. Most of this work is funded by the Homelessness Prevention Law Project (HPLP), also known as the Right to Counsel program (RTC), and Anti-Harassment Tenant Protection (AHTP).

Brooklyn A also provides essential legal services to tenant groups, employing aggressive legal tactics to challenge the management authority of landlords that neglect affordable housing properties with the goal for the building and individual apartments to be repaired and rehabilitated so the tenants can live safely in their homes.

The demand for these services is higher than ever, and discretionary support is essential to provide continued support for eviction prevention work that remains at citywide highs, as well as tenant-affirmative work including organizing and assuring safe housing conditions, critical work that is not being funded by the City's Right to Counsel Program. We need maximum support to provide representation to keep New Yorkers in their homes, get repairs and restoration of essential services made, educate tenants on their rights, and represent tenants in danger of losing their homes in legal proceedings.

Brooklyn A hosts regular workshops and events to educate community members about their rights, explain legal and organizing options, and ensure that members of the community know that help is available. These events are now held in person or virtually over Zoom and livestreamed to social media platforms. Often elected officials—including in the last year Council Member Farah Louis, Council Member Alexa Aviles, Council Member Marjorie Velazquez, Council Member Sandy Nurse, and others—co-sponsor and participate in our events and we partner with other community-based organizations to



increase outreach.

Brooklyn A also takes referrals from elected offices. We implemented an online referral portal for elected offices to refer constituents to our office directly into our legal database, improving efficiency of communication and information sharing. We have trained dozens of state and city officials' offices to use this portal.

In FY 23, Brooklyn A staff organized and participated in 58 educational and outreach events and reached approximately 2,600 individuals—8 of these events were from the PAH Program. So far in FY 24, our PAH Program alone has hosted or participated in 10 educational and outreach events reaching more than 500 individuals.

Brooklyn A joins our fellow legal service providers in urging the city to maintain and expand its sources of funding for the Right to Counsel and Anti-Harassment Tenant Protection programs so they can be fully implemented. The current funding level for RTC only supports legal representation for just over half of the NYC tenants who need services each year – the antithesis of the intent of the Right to Counsel Law. AHTP's contract, meanwhile, is not structured to cover yearly increased costs including cost of living adjustments (COLA) and this needs to be remedied so that the contract includes annual COLA increases as well as funding upfront to make up for the years without any such increases.

Furthermore, it is critical for continuity of services to NYC tenants and for stability to our organizations that the City issue immediate contract extensions for fiscal year 2025. The RTC and AHTP providers are currently funded by the City for \$136 million and \$43 million, respectively. Our current contracts are set to expire on June 30, 2024.

Fully funding the RTC program and addressing contracting challenges are parts of the solution to the housing affordability crisis plaguing this City. Keeping low-income people in their homes is essential not only for their individual well-being, but also as a bulwark against the loss of affordable rents in the housing market. When a low-income tenant is evicted, their apartment at times are not rented again to low-income tenants; as contrary to the law, unscrupulous landlords raise rents illegally or remove the apartment from the market altogether. Thus, as we move through the many stages of this housing and health crisis, we remain on the frontline of efforts to ensure that the needs of New York's



marginalized communities are met. We will continue to make the case for justice and equity.

Thank you,

Jessica A. Rose

Executive Director

Brooklyn Legal Services Corporation A

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innovatingjustice.org

Courtney Bryan. Executive Director

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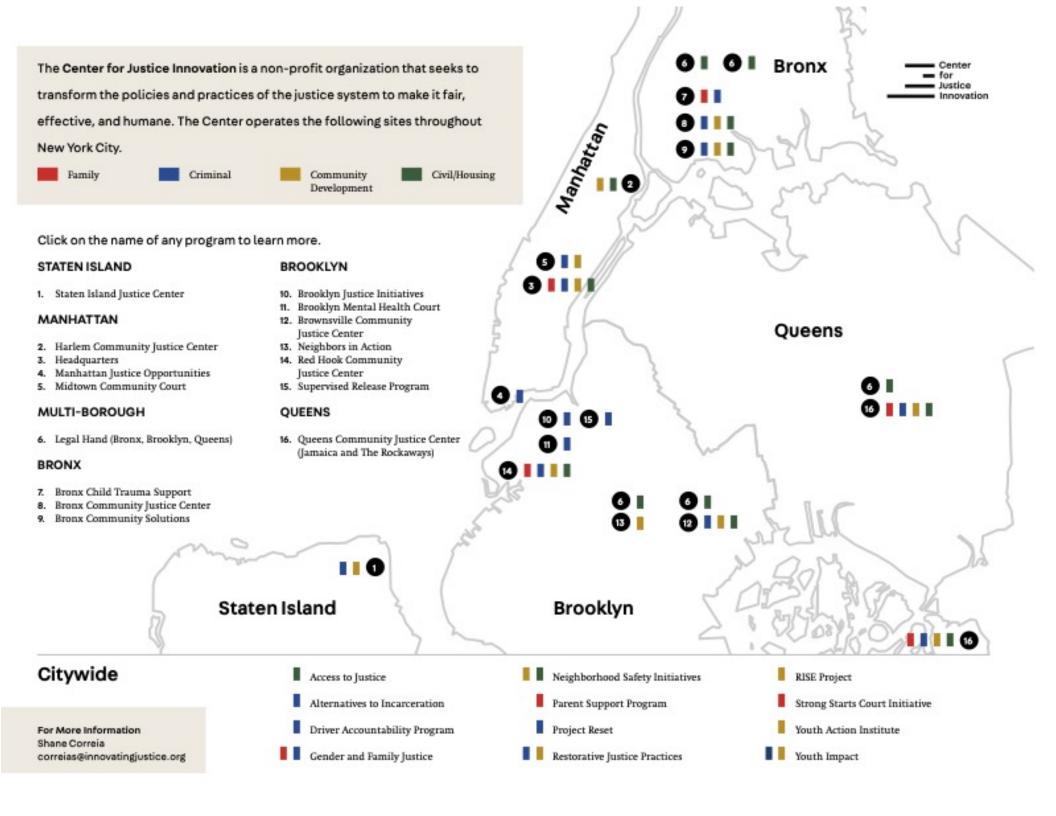
• Center for Justice Innovation New York City Program Map

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• Written testimony for submission to 3/11/24 City Council Preliminary Budget Hearing of the Committee on Housing and Buildings

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• Summary of FY25 Center for Justice Innovation Proposals





innovatingjustice.org



Courtney Bryan. Executive Director

Center for Justice Innovation New York City Council Committee on Housing and Buildings March 11th, 2024

Good morning, Chair Sanchez and esteemed members of the Housing and Buildings Committee. My name is Viviana Gordon, and I serve as the Director of Planning and Implementation for the Center for Justice Innovation (the Center). Over the past 30 years, the Center has partnered with Council to develop and implement strategies to make our city safer, more equitable, and more humane.

Housing the foundation of strong communities. Access to safe and affordable homes creates economic and community stability. Responding to the wide array of housing challenges that people confront, with a goal of improving safety and security for everyone, requires a holistic approach that works inside and outside the legal system to advance policy reforms while connecting families and individuals to the services and resources they need to access a safe, secure home.

At the Center for Justice Innovation, we work to prevent evictions, respond to hazardous repair conditions, and increase tenant financial and legal empowerment. By addressing issues early and within communities, we keep people safely housed and avoid eviction, displacement, and instability that can affect employment, family security, and future access to stable housing. The Center often serves as a bridge between the court system, city agencies, and communities, developing comprehensive strategies to advance access to housing and reduce housing insecurity.

Across the Center's sites, housing instability among the clients we serve is widespread. Over a third of all Supervised Release and Alternative to Incarceration participants assessed at intake report that they were homeless, living in a shelter or transitional residence, or asked for support with housing services from our staff. According to the New York State Department of Corrections and Community Supervision, among everyone released to community supervision in 2021, almost one in four went directly to shelters and another 8 percent were categorized as "undomiciled."

¹ Center for Justice Innovation. (2024). Justice Center Application and Reset referral database. [Data file].

² Watkins, M., & Yager, J. (2023, August). *Reentry and the Social Compact*. Center for Justice Innovation. https://www.innovatingjustice.org/

This can add a level of vulnerability on top of an already tenuous situation for clients simply trying to stay afloat. In addition, housing instability can result in increased exposure to the legal system, as police may be called upon to respond to those who are unhoused while those threatened with eviction or seeking crucial housing repairs may end up in the courts.

What's more, housing instability remains a top need for individuals involved in criminal court. The Center works in all five boroughs providing an array of programming such as alternatives to incarceration, supervised release, and diversion to individuals facing misdemeanor and felony charges. The largest project, Brooklyn Justice Initiatives, serves more than 9,000 individuals per year. In 2023, over 2,600 participants of Supervised Release or Alternatives to Incarceration programming at Brooklyn Justice Initiatives flagged for housing needs at assessment.³ Finding stable, permanent, affordable housing for our clients remains the biggest challenge even for those few clients who have already received a housing subsidy voucher like CityFHEPS or should be eligible for supportive housing.

Responding to the wide array of housing challenges people confront, with a goal of improving safety and security for everyone, requires a holistic approach that works inside and outside the legal system to advance policy reforms while connecting families and individuals to the services and resources they need to access a safe, secure home. At the Center for Justice Innovation, we work to prevent evictions, respond to hazardous repair conditions, and increase tenant financial and legal empowerment. By addressing issues early, we keep people safely housed and avoid legal system involvement that can affect employment, family security, and future access to stable housing. We ask that Council ensures that nonprofits like the Center and the city agencies doing this valuable and meaningful work are adequately supported in this year's budget.

Conditions in many residential buildings across the city, but predominantly in apartments housing low-income New Yorkers, are deteriorating. Leaks, holes, peeling paint, and rodent infestations are on the rise across all five boroughs. More than a quarter of New Yorkers are living with mice and rats. Approximately 10 percent of residents report mold in their units. Eighteen percent are using space heaters or other methods to stay warm when building heating is not working. Alarmingly, over half a million households, including 25 percent of Bronx residents, are living with at least three housing problems. Poor housing conditions can worsen resident's health leading to breathing problems, heart ailments, and even mental illness.⁴

Particularly in NYCHA, home to 1 in 17 New Yorkers, decades of disinvestment have led to uninhabitable living conditions in many buildings. Home repairs and code enforcement pose

³ Center for Justice Innovation. (2024). Justice Center Application and Reset referral database. [Data file]

⁴ Brand, D. (2024, February 20). *Tenant asthma and mental illness rates could help NYC spot bad buildings, study finds.* Gothamist.

https://gothamist.com/news/tenant-asthma-and-mental-illness-rates-could-help-nyc-spot-bad-buildings-study-finds? utm_source=sfmc&utm_medium=nypr-email&utm_campaign=Newsletter%2B-%2BEarly%2BAddition%2B-%2B2 0240220&utm_term=asthma%2C%2Bheart%2Bissues%2Band%2Beven%2Bmental%2Billness&utm_id=306604&sfmc_id=92567526&utm_content=2024220&nypr_member=Unknown

habitability, safety, and health risks to families and their neighborhoods.⁵ Aging infrastructure, mismanagement, and systemic underfunding have made NYCHA chronically delinquent in responding to residents' requests for repairs. Tenants must navigate a confusing process to obtain repairs and address serious health hazards like mold. Additionally, tenants often struggle to hold landlords accountable for repairs involving lead paint, leaks, and lack of heat and water. In NYCHA apartments, gas outages and much-needed repairs often remain unaddressed for months

These housing conditions have drawn sharp attention in recent years, with the New York City Housing Authority receiving federal court orders to remedy the hazardous living conditions. For low-income New Yorkers across the city, and particularly NYCHA residents, these conditions reflect a continuing pattern of marginalization that perpetuates economic and racial discrimination. Despite efforts to bring about accountability, there is continuing noncompliance under state law by the Department of Housing Preservation and Development to publish Open Data for Maintenance Code Violations issued at NYCHA citywide.

The Center has been committed to redressing this issue for years. In Spring 2020, the Red Hook Community Justice Center's Housing Resource Center partnered with Columbia Law School's Community Advocacy Lab to review four years of court filings (2016-2020) and corresponding apartment inspection reports by the Code Enforcement Division of the city's Department of Housing Preservation and Development. The report found the following:

Public housing tenants are subjected to living conditions and legal procedures that private tenants are not.

- The repairs process for NYCHA residents is fundamentally flawed, resulting in unnecessary delays and stark disparities in repair timelines and housing conditions.
- Unlike private tenants who can call 311 to request an inspection, NYCHA tenants can request inspections and re-inspections only through housing court and must return to housing court for a new inspection date even when the original date was missed due to HPD's own error.
- Based on data from 2019, the average repair timeline for private landlords was 17 days. For NYCHA, it was 125 days.
- When completed, repairs are often inadequate and result in the same issues reoccurring.
 HPD does not conduct follow up inspections or hold NYCHA accountable as they do with private landlords.
- Courts are often hesitant to sanction NYCHA for failure to respond to court ordered inspections and complete repairs because they are a government agency.⁶

⁵ New York City Housing Authority. (2024a, February 29). NYCHA Signs 2024 Project Labor Agreement with the Building and Construction Trades Council of Greater New York.

 $[\]frac{\text{https://www.nyc.gov/site/nycha/about/press/pr-2024/pr-20240229.page\#:}\sim:text=About\%20the\%20New\%20York\%20City\%20Housing\%20Authority\%20(NYCHA)\&text=NYCHA\%20is\%20home\%20to\%201,well%20as\%20Section\%208\%20housing.}$

⁶ Burin, A., Bush, Z., & Gomez-Reichman, M. (2020, April 30). *Achieving Equality for New York City Public Housing Residents*. Center for Justice Innovation.

Meanwhile, NYCHA has seen a 640 percent increase in units deemed vacant and available for move-in from January 2022 to 2023. Yet, folks currently living in New York public housing who have requested apartment transfers—due to severe repair needs, domestic violence, or other imminent safety issues—are being stalled across the city. This presents active harm to tenants with pending approved apartment transfers for domestic violence, victimization, tenants with disability accommodations, overcrowded families, and in-need individuals waiting to move into NYCHA from city shelters or aging out of foster care.

NYCHA has been chronically under-resourced for decades, causing challenges throughout the authority, including unfilled staff positions that would help maintain and turnover units between tenants. While recent initiatives like NYCHA's Work Order Reform Initiative hold promise, tenants are still waiting upwards of nine months for basic trade work from carpenters and plasters. There is a pressing need for city, state, and federal capital and operational funding to NYCHA to bring the agency back into a position to provide habitability for its residents. City Council must ensure NYCHA tenants have access to minimum protections under the city's Housing Maintenance Code, including tenants' request for Housing Preservation and Development inspections at NYCHA if uninhabitable conditions persist.

CJI's Approach to Housing Justice

Eviction and housing instability are a significant cause of stress that can lead to homelessness, poor health and behavioral health, and even institutionalization, making housing courts as high stakes a legal venue as criminal courts. Since 2001, the Center has operated two neighborhood-based housing courts, in Harlem and Red Hook, Brooklyn. Here, the Center's housing resource staff provide court navigation, one-on-one assistance and direct connection to a variety of resources and legal services for tenants. Over the past 23 years, staff have conducted over 41,000 intakes for residents in Red Hook and Harlem with housing concerns. In just this past year, our housing resource centers worked with 1,753 residents to help them remain safely, affordably housed.⁸ Building off of this, the Center has expanded our housing work to Mott Haven and Far Rockaways based out of our Bronx and Queens Community Justice Centers.

The Center works both within courts—offering help to litigants—and within communities—helping tenants apply for benefits, rental assistance, and lease adjustments; working with landlords to address habitability issues; and co-creating safe, vibrant neighborhoods with community. Our housing resource centers support tenants in documenting and tracking their repair needs, as well as accessing and navigating the court system when needed to hold NYCHA accountable. We also work to achieve systemic reform through

 $[\]underline{https://www.courtinnovation.org/sites/default/files/media/document/2021/Handout_RHCJC_Columbia_03092021.pdf}$

⁷ Feldman, A. E. (2023, February 22). Vacant NYCHA units jumped more than 600% in a year, stranding residents. NY1.

 $[\]frac{https://ny1.com/nyc/all-boroughs/politics/2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-600--in-a-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jumped-more-than-year--stranding-residents)}{(2023/02/22/vacant-nycha-units-jum$

⁸ Center for Justice Innovation. (2024). Justice Center Application and Reset referral database. [Data file].

advocacy for open data on NYCHA's housing code violations and for improvements to NYCHA's work order systems. Through housing, financial, and legal assistance, we have helped thousands of New Yorkers resolve the issues they are facing to remain in their homes.

The Center also runs Legal Hand out of a collection of storefronts in Brooklyn, Queens, and Bronx communities. Legal Hand is staffed by highly trained volunteers including both local residents and law students, trained to provide free legal information, assistance, and referrals. While they support visitors with a range of problems including public benefits, immigration, domestic violence, debt, and employment, they most often support with housing concerns. In 2023, Legal Hand helped residents address nearly 850 housing concerns by providing legal guidance.⁹

Red Hook Community Justice Center

The Red Hook Community Justice Center's Housing Resource Center supports public housing residents by providing access to justice and procedural justice in housing court with the goal of preserving safe and affordable public housing in Red Hook. The Housing Resource Center staffs a Help Desk that is open daily on a walk-in basis to community members seeking assistance with repair issues, rental arrears, or support navigating their housing court cases. Staff members work to connect tenants to critical services that address the underlying issues that may contribute to, or arise from, their housing instability. These services can include counseling, case management, mediation, employment, victim services, and legal and financial assistance that can help them remain in their homes and prevent future eviction proceedings. The Housing Resource Center also uses proactive outreach strategies to educate residents on public housing rights and regulations; public health issues and the dangers posed by unhealthy living conditions; and the resources offered at the Justice Center more broadly. In 2023, the Housing Resource Center helped almost 930 residents address pressing housing needs and concerns. ¹⁰

The Justice Center's physical presence in the community, outreach, and approach have improved access to justice for NYCHA residents in Red Hook, specifically facilitating greater access to justice in filing tenant-initiated actions in Housing Court. Their collaborative approach and strong working relationships with NYCHA facilitated some emergency repairs being addressed more promptly than the traditional Housing Part court process would otherwise allow. In addition, the Housing Resource Center's court attendance initiatives and local outreach helped reduce the number of default judgments by minimizing the number of tenants who fail to appear for their court date. In 2019, the last full calendar year before the COVID-19 pandemic which altered court dockets, less than one percent of Red Hook cases resulted in default judgment, compared to 14 percent in all of Brooklyn.¹¹

¹⁰ Center for Justice Innovation. (2024). Justice Center Application and Reset referral database. [Data file].

⁹ Ibid

¹¹ Burin, A., Bush, Z., & Gomez-Reichman, M. (2020, April 30). *Achieving Equality for New York City Public Housing Residents*. Center for Justice Innovation.

Harlem Community Justice Center

The Harlem Community Justice Center's Housing Help Center uses a problem-solving approach to assist tenants in public housing and privately-owned housing in an on-site Housing Court. Help Center staff work to preserve safe and affordable housing in Harlem, providing daily walk-in services to community residents. The Help Center partners with the New York City Housing Authority to resolve repair and leasing issues outside of court proceedings and to address underlying issues that contribute to housing instability.

In April 2023, the Harlem Community Justice Center launched the Virtual Court Access Network (VCAN) in partnership with the New York City Office of Court Administration Office of Justice Initiatives and the New York County Housing Court Clerk's Office. VCAN meets a critical need in the East and Central Harlem community by facilitating access to housing court clerk desk services and support filing while addressing underlying and complicated needs with the range of on-site Help Desk resources. The design allows tenants and the Help Center to interface directly with court clerks at New York County Civil Court to help tenants file Housing Park "HP" Actions against their landlords for repair hazards or harassment, answer Eviction/Landlord-Tenant petitions, file Orders to Show Cause, and initiate cases of illegal lockouts and roommate holdovers. In 2023, 199 litigants used VCAN services at the Harlem Community Justice Center.

In 2023, the Harlem Community Justice Center help desk received 824 people seeking assistance in 1,438 visits for housing matters and assisted with 1,242 housing issues, including legal services referrals, repair follow-ups, and financial assistance helping tenants to remain in their homes and prevent future eviction proceedings.¹²

In August, the Harlem Community Justice Center hosted a Housing Resource Fair that connected local residents with a wide range of agencies and providers to help them access key services, such as rent relief, critical home repairs, and legal services to fight evictions. The fair showcased the tremendous demand for housing stability services in the East Harlem community and the Justice Center's ongoing efforts to help residents access resources and tenant protections close to their homes. More than 300 people attended the fair, which took place in Harlem Art Park, adjacent to the Justice Center.

Housing Navigators

Building off of the impactful program models in Red Hook and Harlem, at the beginning of the year, the Center launched a city-wide housing navigator initiative. Housing Navigators are now working in public housing communities throughout the City to address the most pressing issues threatening the housing stability of public housing residents including, rental arrears,

 $\underline{https://www.courtinnovation.org/sites/default/files/media/document/2021/Handout_RHCJC_Columbia_03092021.pdf}$

¹² Center for Justice Innovation. (2024). Justice Center Application and Reset referral database. [Data file].

evictions, health and habitability. Navigators are based out of Community Justice Centers in East Harlem; the South Bronx; Far Rockaway, Queens; and Red Hook, Brooklyn. Simultaneously, the Center has been partnering with the Center for Urban Pedagogy (CUP) and artists to create high-quality, multi-lingual, informative guides for public housing residents navigating lease and rent issues. The process and product have been driven by resident input, feedback, and priorities and will culminate with final products ready for distribution in May 2024.

Legal Hand

Legal Hand trains volunteers from the communities it serves to provide free legal information, assistance, and referrals to help New Yorkers resolve civil legal issues that affect their lives. Volunteers, who are not lawyers, operate out of easy-to-find, neighborhood storefronts, and are supervised by attorneys from partnering legal services organizations. While Legal Hand offers assistance in areas like family, immigration, domestic violence, and benefits, by far, the greatest area of support given is on housing. Our trained local volunteers directly support eviction prevention, addressing habitability issues and assistance finding housing. In 2023, Legal Hand helped residents address nearly 850 housing concerns by providing legal guidance.13

Our Legal Hand project has become a model in the city for increasing access to justice for tenants outside of the courts by bringing justice to the neighborhoods they live in. Legal Hand empowers community residents to support their neighbors with free legal information. Civil legal problems, if left unresolved, can seriously harm low-income New Yorkers, forcing people out of their homes, separating families, and imposing devastating financial burdens.

Our volunteers are neighbors helping neighbors. Legal Hand's recruitment and training of community volunteers on civil legal issues informs our understanding of new developments in legal issues and on-going education throughout the community. Many of our volunteers know someone who has been through similar situations as our visitors or have been affected by housing issues themselves. A study conducted by Legal Hand in 2016 found that 76 percent of Crown Heights residents interviewed had experienced at least one legally actionable problem in the past year, and over 50 percent had experienced more than one such problem. 14

Today, Legal Hand provides assistance to thousands of New Yorkers with housing issues through storefronts in Jamaica, Queens; Brownsville and Crown Heights, Brooklyn; and Highbridge and Tremont in the Bronx. Legal Hand is also engaged in community outreach and conducts Know-Your-Rights sessions and workshops.

Eviction Diversion Initiative

¹³ Ibid.

¹⁴ Center for Justice Innovation. (n.d.-b). Legal Hand Overview. https://www.innovatingjustice.org/sites/default/files/media/document/2021/LH Factsheet 10252018.pdf

To prevent the devastating harms of eviction, the Center for Justice Innovation worked closely with New York State's court system to launch the Eviction Diversion Initiative (EDI), providing financial assistance, legal guidance, and referrals to local services for over 140 tenants at risk of losing their homes in Brooklyn to date. EDI has been operating in Brooklyn Housing Court for just over one year, working with tenants facing eviction who receive a rental subsidy such as public housing residents, Section 8 or recipients of a range of City-issued subsidies. The majority (60 percent) of our clients are CityFHEPs recipients. Even when our clients have an attorney and us as advocates, the process of fixing the subsidy issue is confounding and made even more inaccessible for Seniors and non-English speaking clients.

Conclusion

Low-income renters and NYCHA residents have the right to safe housing that does not create or exacerbate health issues. Landlords, NYCHA, and the Department of Housing Preservation and Development have an obligation to residents to ensure humane, livable conditions. In the absence of justice and accountability, tenants have come to rely on the Center's resources to assure that their needs are met and their families' health and safety is protected. Access to quality, sustainable, and safe housing is a crucial element to the conversation around social justice and equity. The Center for Justice Innovation looks forward to continuing to partner with Council to ensure New Yorkers can live safely and securely in their homes. Thank you for the opportunity to testify today.

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¹⁵ National Center for State Courts Monthly Report.





Courtney Bryan. Executive Director

FY25 Center for Justice Innovation Proposals

 #172167 - Center for Justice Innovation (formerly Center for Court Innovation) -\$750,000

Innovative Criminal Justice Programs (Renewal/Expansion);

Speakers Initiative

Description: This is an application to support the continuation of the Center for Justice Innovation's innovative criminal justice responses, community-based public safety initiatives, and access to justice programs across all five boroughs in New York City. City Council's support allows us to serve tens of thousands of New Yorkers with mental health services, family development, youth empowerment, workforce development, and housing, legal, and employment resource services. Our goal continues to be improving safety, reducing incarceration, expanding access to community resources, and enhancing public trust in government to make New York City stronger, fairer, and safer for all.

#169900 - Midtown Community Justice Center: Straus Houses and Council District
 2 Community Engagement - \$25,000

Community Safety and Victims Services (Renewal)

Description: Midtown Community Justice Center (MCJC), formerly the Midtown Community Court, seeks support through the Community Safety and Victim Services initiative to enhance its community engagement work in the Straus Houses NYCHA development and throughout Council District 2, including tailored and highly responsive community engagement events. This work will build on existing community relationships to address the identified needs and have lasting impact. City Council funds will provide the means for Midtown Community Justice Center to uplift local community stakeholders and community-based organizations to provide critical supports and services, along with enriching skill building workshops, to community members and increase public safety.

• #171658 - Red Hook Community Justice Center: Housing Resource Center - \$50,000

Community Safety and Victims Services (Renewal)

Description: The Red Hook Community Justice Center's Housing Resource Center seeks funding from the City Council's Community Safety and Victim Services Initiative to help seniors, non-English speakers, and other public housing tenants in the Red Hook Houses obtain critical home repairs, preserve affordability, prevent evictions, and find justice and fair treatment in housing court.



Testimony Before the New York City Council
Committee on Housing and Buildings, Preliminary Budget Hearing
Regarding the New York City Fiscal Year 2025 Budget

March 11, 2024

Good afternoon. My name is Christie Peale, and I am the Executive Director and CEO at the Center for NYC Neighborhoods. I would like to thank Speaker Adams, Chair Sanchez and the Council for giving us the opportunity to address the City's preliminary budget today.

The members of New York City Council have been strong champions of our affordable homeownership efforts since the Center was founded. We greatly appreciate your support for homeowner services in the City budget, and for continuing to support homeowners and their tenants during times of economic hardship and neighborhood change. We know that you face many difficult choices, and we look forward to partnering with the City Council and Mayor Adams' administration on ensuring that homeowners can stay in their homes, especially during this time when housing is critical to equity, safety and health.

About the Center for NYC Neighborhoods

The Center promotes and protects affordable homeownership in New York so that middle- and working-class families are able to live in strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York state by offering free, high-quality housing services. Since our founding in 2008, our network has assisted over 200,000 homeowners. We have provided more than \$60 million in funding to community-based partners. Major funding sources for this work include the New York City Department of Housing Preservation and Development, and the Office of the State Attorney General, along with other public and private funders. Additionally since 2021, the Center's subsidiary, Sustainable Neighborhoods, has administered the New York State Homeowner Assistance Fund, in partnership with New York State Homes and Community Renewal (HCR), which has distributed federal relief dollars to homeowners affected by the pandemic who are struggling with housing payments.

Foreclosures Remain A Threat - and Communities of Color are More Vulnerable

BIPOC communities are facing foreclosure challenges across NY State and are in need of services to preserve their homes. The impacts of the 2008 mortgage foreclosure crisis are still felt across the state, with a high concentration of mortgage distress in New York City's BIPOC homeownership neighborhoods. While mortgage delinquency rates had been improving before the COVID-19 pandemic (down to 4.9% statewide in 2019), as recently as the fall of 2023, an average of 8% of NY homeowners were delinquent on their home loans, translating to over 300,000 families across the state at risk of losing their homes (US Census Household Pulse Survey data).

Even more concerning are the disparities between white homeowners and their Black and Brown neighbors: in 2023, over twice as many Black and Brown New York families were behind on their home loans, (14%) compared to non-Hispanic white homeowners (7%).

Through the Foreclosure Prevention Program, the Center funds, coordinates, and administers a citywide network of housing counseling and legal services organizations to provide homeowner stabilization services across New York City. These 28 partners achieve positive outcomes for homeowners, annually assisting more than 2,000 clients through this program and preventing hundreds of foreclosures, ensuring intergenerational wealth is secured and homeowners can age in place. These services are offered in every neighborhood of NYC, with a majority of clients served in Brooklyn and Queens. 60% of those served identify as Black/African American. 9% identify as Hispanic/Latino. Free services include foreclosure prevention, loss mitigation, financial counseling, estate planning, tangled title assistance, property tax assistance, representation in a foreclosure case, and access to loan and grant products.

Scams Target Vulnerable Homeowners

Deed theft is a growing concern and can often take the form of foreclosure rescue scams that involve the fraudulent transfer of ownership of a home to a third party. Sometimes, homeowners are tricked into signing over their deed, believing they are signing some other type of legal document. Deed theft scammers target homeowners at risk of foreclosure or homeowners who are otherwise vulnerable, including seniors. Since the beginning of shelter-in-place orders, scams have skyrocketed. Widespread confusion about foreclosure prevention options, especially the availability of forbearance, have created an opening for bad actors.

Unmet Home Repair Needs Pose Challenges

Our research (informed by direct outreach and homeowner surveys) indicates that homeowners identified unaffordable home repairs as the biggest challenge — and most urgent need — to remaining in their homes, with 63 percent of homeowners reporting an unmet home repair need. Our findings are corroborated by the feedback our community-based partners have received. While homeowners with good credit or substantial equity are able to fund repairs by refinancing their mortgage or taking out a home equity line of credit, few options exist for less financially secure homeowners. Many are spending more of their savings on much-needed home repairs to stabilize their living conditions. Unsafe conditions such as mold, lead paint, and debilitating roofs are threats to their housing stability.

Contract Delays are Threatening New York City's Housing Stability

Agency staffing vacancies and the increased pressure of assisting newly arrived New Yorkers has led to significant contract delays for key homeowner initiatives, particularly around providing community-based outreach, education and resources to at-risk families across the City. The delays in executing these contracts, exceeding 12 months in some cases, strain the capacity of the Center's network of housing counseling and legal services organizations and hinder our ability to address the complex mortgage and property-related issues of our clients, even as we continue this work day in and day out. Homeownership represents both a critical source of housing, stability, and the largest asset-building opportunity for many working New Yorkers. Yet, tens of thousands of families are at risk of losing their homes to mortgage foreclosure, scams, tax liens, and reverse mortgage foreclosures because

of the prolonged process for extending new contracts to this network. Crucial work cannot advance as it is being hampered by our inability to get contracts executed, and it is impossible to borrow or advance funds against contracts that are not even approved. The sustainability of these critical services, supported and advanced by the Council since 2008, will be at significant risk if the agency contracting delays cannot be addressed.

Solutions:

Push HPD to immediately renew its housing preservation contracts

The Center remains committed to its role as a key partner in providing services to New York City's homeowners. However, the Center and its Network Partners can only complete this work when City contracts and agreements are executed and in place.¹ As mission driven organizations, we, for years, have provided valuable services to vulnerable populations but are facing a reality where we will not be able to do so unless our government funds us to do so.

Continue to Fund Homeowner Services in the FY 2025 City Budget

The Center for NYC Neighborhoods has developed innovative, high-quality services to help keep New York City homeowners in their homes, with a track record of success on behalf of LMI homeowners. The Center was founded to address the foreclosure crisis of the Great Recession and grew to address Hurricane Sandy; our services are critical in times of crisis. This year, the Center requests \$8,835,000 in City Council funding to support several initiatives to assist homeowners across New York City with an emphasis on adapting programs to address BIPOC families at risk of losing their homes. Our original ask was for an increase over last year's funding to help us meet the full demand for our services. At this point we ask to increase our current funding in order to serve at-risk homeowners.

Specifically, City Council funding would support our comprehensive suite of homeownership services, including the following:

- **Homeowner Hub:** Our Hub is a frontline service for homeowners seeking specialist advice and referrals for more comprehensive services. Our hotline operates at full capacity and can be reached via 311 or through our HomeownerHelp website.
- Foreclosure Prevention Services: The Center serves homeowners by providing foreclosure counseling, homeownership counseling, property tax counseling, estate planning services, and reverse mortgage counseling for seniors that help them remain in their homes. Some services are provided in-house, such as the Center's Escalations program, while others are provided through our Network Partners.
- Homeowner Help Desk: Community-based outreach staffed with free attorneys and housing
 counselors to help stabilize homeownership with a focus on BIPOC communities. The
 Homeowner Help Desk delivers free advice and solutions to homeowners who are in crisis and
 have nowhere else to go for assistance. Its primary goals are to bring housing counseling,

¹ Speaker Adams highlighted this issue in her State of the City address, noting "our city's non-profit organizations…" are impacted "...when government routinely fails to make contract payments on time."

- financial counseling, and legal services directly to vulnerable homeowners; raise awareness around scam prevention and programs and assistance available to NYC homeowners.
- The Black Homeownership Project: A research, programmatic, and policy advocacy initiative from The Center for New York City Neighborhoods that seeks to stabilize and increase Black homeownership in New York City, grow Black wealth, and provide high-quality housing and legal services to Black New Yorkers. Funding would facilitate a citywide expansion of much-needed estate planning services, with a geographical priority for services in Southeast Queens, the North Bronx, Central and South Brooklyn.
 - Expanded estate planning services designed to engage Black homeowners and their families would align with and leverage the much needed proposals championed by Speaker Adams to help BIPOC New Yorkers protect their assets and home equity.
- Interboro Community Land Trust: While residents on the CLT own their houses and buildings, Interboro owns the land underneath the properties, thereby ensuring in perpetuity the affordability of the homes for current and future lower-income households and the preservation of public subsidies and private investment. In addition, to ensure the success and empowerment of CLT homeowners, Interboro provides stewardship in the form of ongoing supports (e.g., homeownership and financial counseling, foreclosure prevention, referrals to contractors) and safeguards a collaborative decision-making structure that allows for homeowners' participation in the governance of the CLT. Interboro is also a critical partner with the HPD, setting standards and processes that help to grow and guide all CLTs in New York City.
- A Greener NYC: The Center for New York City Neighborhoods has played a leading role in promoting sustainability and resilience initiatives among New York City's low- and moderate-income homeowners. At present, the Center is directing a NYSERDA-funded program, the Clean Energy Hub, in Brooklyn and the Bronx, working in partnership with the Association for Affordable Energy. These resources can reduce energy waste, lower utility bills, improve indoor air quality, and reduce drafts, making homes warmer in the winter and cooler in the summer.

Fund Home Repair in the City Budget

Given the significant need for increased home repair resources for low- and moderate-income homeowners, the HomeFix program has never been more necessary. We are requesting City Council support for the vital outreach and counseling as well as loans targeted towards those council districts with the highest need. This funding will allow us to reach low- and moderate-income New York City homeowners throughout the city and assist them in navigating the program.

The Center employs a robust and effective outreach strategy to reach at-risk homeowners in neighborhoods across the city. For HomeFix specifically, the Center will employ direct outreach through events, phone calls, community meetings, social and earned media, and more. Our plan also calls for targeted outreach in communities that have historically had less access to financial products, including formerly redlined neighborhoods.

The HomeFix program demonstrates a new model of streamlining repair resources for homeowners by offering zero-interest, low-interest, and forgivable loans to homeowners based on what they can afford, not what their credit risk is. This effort will sustain homeownership, as well as stabilize families and

neighborhoods. Moreover, it will preserve affordable homeownership in New York City for historically disadvantaged communities, including BIPOC communities, as well as preserve the naturally occurring senior housing stock and affordable rental supply in 2-4 family homes.

We look forward to partnering with the City Council and the Adams administration to protect affordable homeownership. Thank you for the opportunity to testify today.

Testimony:

Oksana Mironova, Samuel Stein and Iziah Thompson

City Council Committee on Housing and Buildings and Committee on State and Federal Legislation

March 11th, 2024

Testimony: Homes Now, Homes for Generations

Thank you for the opportunity to testify at today's hearing of the City Council Committee on Housing and Buildings and the City Council Committee on our city housing budget needs. Our names are Samuel Stein, Oksana Mironova, and Iziah Thompson, and we are housing policy analysts at the Community Service Society of New York (CSS). CSS has worked with and for New Yorkers since 1843 to promote economic opportunity and champion an equitable city and state. We center the voices and experiences of communities of color and those with low incomes, powering change through a strategic combination of research, services, and advocacy.

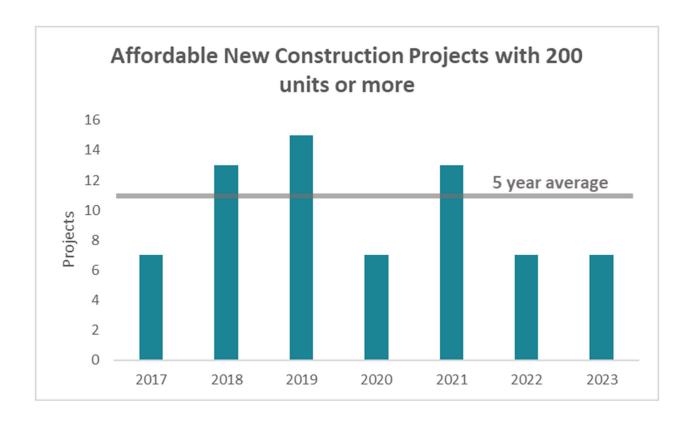
The city has myriad housing needs, from code enforcement to preservation to new construction. As the most recent Housing and Vacancy Survey shows, this is an extremely challenging housing market for tenants, and our homeless population continues to rise.

First and foremost, our city's housing agency needs the human and economic resources to complete its crucial missions. As <u>a recent report by the New York City Comptroller</u> has demonstrated, ongoing understaffing and technological underinvestment at the agency is leading to structural problems. While a recent push to hire has improved matters to a degree, the agency needs to be fully staffed and resourced. Our public sector housing workers are doing heroic efforts with the resources they have, but it is no surprise that with staffing shortages they have not been able to hit all production goals and maintain projected timelines.

The lack of capital dollars and staffing shortage has resulted in a slight decline in new affordable construction and a complete depletion of affordable preservation during the current administration.

While we certainly commend the efforts of advocates and the administration for its focus on increasing the amount of people experiencing homelessness who are moved into a new unit, as seen in the 2023 Mayor's Management Report, we also need more investment in affordable construction to prevent homelessness and unaffordability from growing. After major wins from 2016 to 2020—like the 500-unit La Central development in the South Bronx, a massive addition of affordable units along the Bronx River and

Grand Concourse, and the Brooklyn Development Center redevelopment of 27-acre underutilized 27-acre site that produced more than 1,300 affordable units in Spring Creek, Brooklyn—the pipeline of large-scale projects appears to be withering.



In his campaign, Mayor Adams called for increasing the housing capital budget to \$4 billion per year. Instead, the budget is set to be reduced once again. We call on the City Council and the Mayor to fully fund HPD's crucial work. There is no way out of our current crises without it.

Specifically, we urge the Council to press for increased funding and activity in two existing HPD programs: Neighborhood Pillars, which has been paused since 2019, and Open Doors, which is ongoing but under-resourced. If these two programs were properly funded at \$2 billion over the next four years (\$500 million per year), they could produce 10,000 units of permanently affordable social housing through both preservation and construction.

Neighborhood Pillars is an HPD program to help mission-driven developers like Community Development Corporations and Community Land Trusts acquire, rehabilitate and convert distressed multifamily rental buildings. It was launched in 2018, but its budget was reduced to nothing in 2020. The program, however, showed great promise after preserving roughly 400 apartments. We call on the Council and the Mayor to fund HPD to jumpstart this program and create a viable tool to convert distressed for-

profit rentals into permanently affordable, community-controlled housing, as called for in the Speaker's Fair Housing Framework.

Another opportunity to increase our city's stock of social housing would be to expand the city's Open Door program. Open Door finances new construction of shared-equity cooperatives. This was once a priority for the City and the State, but has since fallen in priority, despite programs like Mitchell Lama's tremendous popularity and calls from communities for more affordable homeownership opportunities. The program is currently only funded at \$100 million over four years. Also, with AMI inflation an ongoing problem, it is not currently meeting the needs of many New Yorkers who would love to be eligible for such an opportunity. We call on the Council and the Mayor to increase funding for Open Doors to \$400 million over four years, and to revise the term sheet to allow for greater access – another recommendation from the Speaker's Fair Housing Framework.

Restarting Neighborhood Pillars and expanding Opening Doors will fund these initiatives at the levels currently set for the agencies best funded programs. In other words, this funding request would put permanently affordable social housing production among the top priorities for the agency going forward.

We urge the council to make HPD funding the priority it deserves to be, and specifically to fund programs like Neighborhood Pillars and Open Door at priority levels.

If you have any questions or want to discuss further, please reach out to us at omironova@cssny.org, sstein@cssny.org, and ithompson@CSSNY.org.



Written Testimony of Baaba Halm Vice President and Market Leader Enterprise Community Partners, Inc.

To the New York City Council Committee on Housing & Buildings Public Hearing on the FY 25 Executive Budget March 11, 2024

My name is Baaba Halm, and I am the Vice President and Market Leader at Enterprise Community Partners. Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since our New York office opened in 1987, we have committed more than \$4.2 billion in equity, loans and grants to affordable housing and community to create or preserve over 67,000 affordable homes across New York City. I would like to thank Chair Sanchez and the Committee for the opportunity to submit the following testimony.

New York City's affordability crisis is impacting residents across a range of incomes and in a variety of ways. High rents lead to more and more low- and moderate-income families spending unacceptable amounts of their income on housing costs, while homeownership remains out of reach for many more. Homelessness is at an all-time high while vacancy is at historic lows. Battling our way out of this dynamic will require a range of housing solutions, investment at all levels of government, and commitment to policy changes backed by adequate resources.

To that end, we thank the Council for saying loud and clear throughout a difficult budgetary period that housing is a priority, leading to the Department of Housing Preservation & Development (HPD) being spared significant cuts which would have impacted the development pipeline or critical services. As a more optimistic budget picture begins to emerge, the message must remain clear that housing resources are a top priority.

We join HPD and the NYC Housing Development Corporation (HDC) in celebrating milestones of housing units preserved and developed while understanding that there remains significant work

to do. The development pipeline remains lengthy, presenting significant challenges for emerging, MWBE and nonprofit owners seeking to get projects closed and completed. We support elements within initiatives like the Green Fast Track for Housing, the Get Stuff Built Task Force and the City of Yes for Housing Opportunity which streamline and expedite the affordable housing development process.

As co-conveners of the Family Homelessness Coalition, we remain focused on a homelessness crisis which is first and foremost rooted in a lack of affordable housing. The progress that has recently been announced to significantly decrease the backlog for cash assistance and SNAP benefits is tremendous news in combatting housing instability. We urge continued efforts to find upstream solutions, such as streamlining the One Shot Deal process and reducing barriers and bureaucracy in the voucher, lease-up and homeless placement spaces. These are inter-agency efforts which will slow entries into our shelter system and expedite placements into permanent housing.

Thank you again for the opportunity to submit testify on the FY 25 Budget. We look forward to working with you this year to ensure that all New Yorkers have access to fair, affordable and stable housing.

COMMITTEE ON HOUSING AND BUILDINGS FY 25 PRELIMINARY BUDGET HEARING -MARCH 11, 2024 WRITTEN TESTIMONTY SUBMITTED BY HOUSING AND SERVICES. INC.

Thank you for the opportunity for Housing and Services Inc. ("HSI") to submit written testimony.

HSI is a member of the Supportive Housing Network of New York ("the Network") (the statewide advocacy organization for the New York State supportive housing community) and fully supports the Network's oral and written testimony for this hearing.

HSI has over 38 years of experience as a permanent supportive housing developer and provider. We have 625 tenant households residing in four congregate projects in Manhattan and the Bronx and 100 households residing in private housing units situated in Upper Manhattan and the Bronx and funded by a HASA scattered sites contract. Our congregate projects have two HRA/DHS SRO Supportive Services contracts, two DOHMH services contracts and three HRA/HASA housing and services contracts. All HSI's congregate projects have significant HPD capital funding.

Our staff head count is approximately 135, representing about 95 full-time equivalent staff positions.

SUPPORT THE REALLOCATION OF NY 15/15 SCATTERED SITES RESOURCES TO CONGREGATE PROJECTS AND CONGREGATE HOUSING PRESERVATION

In 2016, New York City created NY 15/15, a bold and absolutely necessary initiative to end chronic homelessness by funding 15,000 permanent supportive housing units over 15 years. The initiative planned for 50/50 allocation between congregate units and scattered site units.

The Congregate Model

Our congregate projects primarily admit referrals from the NYC HRA Department of Homeless Services shelter system. Upon admission, our tenants are provided a rent-stabilized lease and a rent subsidy (typically either project or tenant-based Section 8). Most crucially, the permanent supportive congregate model provides on-site case management services and 24/7/365 security to assist our tenants to overcome the barriers leading to their homelessness. This is a Housing First model where tenants living with untreated mental health issues and substance/alcohol abuse are unconditionally admitted, as time has proven they can not address these issues when unhoused. Permanent supportive housing is the proven most cost effective and humane way to end chronic homelessness.

The Scattered Sites Model

In scattered site programs, a permanent supportive housing provider leases a portfolio of housing units from different landlords and places their clients in the leased units. Scattered site programs are designed for persons who do not require the intensive daily services provided in congregate settings, but who still need assistance in managing their rent payments and relationships with landlords. The clients pay 30% of their qualifying income as their rent share and, through HASA funding, HSI pays the difference between the client's share and the lease's contract rent. Contractually, HSI's case managers are required to make one home visit a month. In reality, they make as many visits as necessary to keep the client stable and in pursuit of their goals.

The Scattered Site 15/15 Program will not meet its goals

Due to the city's and the nationwide affordable housing crisis, 8 years into the launch of the 15/15 initiative the scattered sites program is not meeting its 7,500 units goal, and only 1,280 units have been awarded. There are simply not enough affordable units in acceptable condition in the private housing market to assemble a viable lease portfolio.

HSI believes that the failure of the NY 15/15 initiative to meet its 15-year goal, due the underperformance of the scattered sites allocation, could have a negative impact on the perception of supportive housing. An immediate reallocation of scattered site resources to congregate units and to the preservation of older generation SRO supportive housing is both necessary and practical.

HSI's experience with the scattered site model

HSI has operated its scattered site program for almost 30 years. When combined with its HASA funded congregate program, the two HASA programs provide a beneficial continuum of care wherein congregate tenants ready for more independent living can graduate to the scattered site model, and clients having problems in the scattered sites program can available themselves of the more intensively supportive congregate program.

However, finding and maintaining affordable scattered site market rental housing units in acceptable condition has been a continuous struggle. The NYS Housing Stability and Tenant Protection Act of 2019 provided some relief, as prior to the Act, landlords with intentions of improving their buildings could refuse to renew leases and thereby force HIS tenants out of acceptably maintained housing. However, in HSI's experience, the pandemic only exacerbated the affordable housing crisis. What were once reasonably safe neighborhoods became significantly more dangerous and neglectful behavior by landlords become more common. HSI's scattered site team has always included a handyman to assist clients in making tenant required repairs. However, increasingly our clients are faced with conditions beyond their and HSI's control including leaks and vermin from adjacent apartments, non-functioning elevators, lax security and fire safety precautions. While withholding rent from neglectful landlords is one tactic, it also involves increased legal costs diverting precious contract resources from client services.

While HSI's scatted site lease portfolio was apparently not as bad as other providers, there was increasing publicity about the state of scattered sites housing as HASA required a competitive rebid of HSI's and approximately 15 other providers contracts. The publicity primarily focuses on scattered site providers becoming powerless as their clients' apartments deteriorated into uninhabitable conditions. HASA's RFP had unrealistically low rent caps. HSI, and other providers seriously considered not rebidding on their HASA contracts. While the prospect of breaking our connection to our clients was upsetting, it was also very apparent that the HASA rent caps would eventually result in HSI providing substandard housing. In that event, HSI would be part of the problem and not part of the solution that permanent supportive housing brings. HSI would become complicit in an unjust system by overseeing the deterioration of its clients' living conditions and precarious health.

Happily, forceful advocacy by Supportive Housing Network of New York succeeded in persuading HASA to raise its RFP's rent caps to a much more realistic level. HSI believed that its risk of becoming a provider of substandard housing was significantly reduced. It successfully rebid its contract and implemented an ambitious program to upgrade 30% of its lease portfolio within the enhanced rent caps.

Based upon HSI's almost 30 years' experience in operating its scattered site program, contracted annual increases have failed to meet increases in the rental market and the consumer price index upon which it

bases staff annual COLA's. It has been the experience of many scattered site providers that a nine-year contract may start out covering 50% rent and 50% services and end up at 65% rent and 35% services, with annual rent increases requiring a reciprocal reduction of services.

HSI is wary of its continued HASA scattered site program's future, even with the better funding, and primarily maintains the program for the synergies with its HASA funded congregate program.

Based upon this experience, HSI has no intention to apply for a 15/15 scattered site program as currently structured in the 15/15 RFP.

HSI's experience with the 15/15 congregate program

In stark contrast to Scattered Site, HSI's experience with the NY 15/15 congregate program has been positive and it was fundamental to our developing a new 107-unit project that opened in May 2022. It pairs a 15/15 rent subsidy with a 15/15 social services contract, resolving a decades long problem of not-for-profit developers who found an appropriate site, obtained commitments for acquisition and construction but then could not find project operating funds.

We are actively looking for a new site and, when we obtain site control, will apply for the NY 15/15 congregate funding.

The need to preserve existing first generation permanent supportive housing

HSI also fully support the Network's proposal that current NY 15/15 scattered site funding be re-allocated to preservation of first-generation supportive housing. HSI's is proud to have been a pioneer in the establishment of the permanent supportive model with what were then state-of-the-art SRO conversions in 1986 and 1995. These first-generation projects, with shared bathrooms and kitchens, proved the effectiveness of the Housing First permanent supportive housing model at a time when naysayers opined that housing for the formerly homeless could not work. The success of the converted SRO's paved the way for enhanced supportive housing buildings. HSI's new 15/15 congregate project has studio apartments, generous community space and is rated LEEDS platinum.

In the 1980's and 1990's, the requirements of Local Law 97's emissions and energy efficiency requirements were not contemplated. HSI's preliminary studies indicated that bringing these two projects into compliance with Local Law 97 will be multi-million dollar and multi-year projects for which there is currently no realistically available NYC public funding.

Support the proposed allocation

In summary, we urge the Committee to support the proposed reallocation of 15/15 scattered site resources to the 15/15 congregate program to build desperately needed new affordable supportive housing units; and, to preserve existing SRO housing units. This reallocation of resources avoids the embarrassing failure of the NY 15/15 program to meet its goals in the midst of a city and nation-wide affordable housing crises.

RESIST UNNECESSARY PEGS TO CITY AGENCIES THAT FUND SUPPORTIVE AND AFFORDABLE HOUSING

Supportive housing saves NYC money

Supportive housing is the time-proven most cost-effective way and most compassionate way to end chronic homelessness. Budget cuts to the stable permanent supportive housing costs of NYC agencies and providers do not save money but increase volatile unpredictable costs for what would be unnecessary EMS calls,

hospitalizations, and incarcerations. It is reported recently by Corporation for Supportive Housing that an unsheltered single adult living on the street's costs NYC approximately \$40,000 in such services annually.

Past austerities by funding agencies have already created shortages in experienced agency staff, producing unintended cost increases to the city and creating serious cash flow problems and programmatic challenges for providers as understaffed agency personnel can take months to understand and then approve annual contract budgets, periodic provider billing and contract modifications and amendments.

<u>Underfunded city agencies increase homelessness and cost NYC more money.</u>

In winter 2022, the pandemic beleaguered and underfunded HRA housing placement process slowed down, creating an unprecedented average 10% vacancy rate in city-wide permanent supportive housing. For every vacant unit, a homeless person languishes in the shelter system at an estimated monthly cost of \$4,080 (based on the recent City Comptroller's report). Using an estimated number of 30,000 total NYC supportive housing units, the additional and unnecessary cost to NYC for one month's vacancy of 2,500 units (assuming approximately 500 of 3,000 units were not ready for occupancy) amounts to an astounding \$10.2 million. Should one prefer to measure the cost by the number of street homeless single adults who could not be placed in shelter because current shelter stayers could not move into permanent supportive housing, the 10% vacancy cost approximately \$8.3 million.

In addition, HSI's two projects dependent upon DHS referrals suffered vacancy losses amounting to at least \$100,000.

Understaffed city agencies slow the development of new supportive and affordable housing

HPD's website indicates that, due to limited staff capacity and a significant backlog of projects, the following housing programs have waiting periods of up to one year for a project manager to be assigned:

- Green Energy Preservation
- Housing Preservation Opportunities
- HUD Assisted Multifamily
- Multifamily Housing Rehabilitation Loan
- Participation Loan
- Neighborhood Pillars
- LIHTC Preservation (Year 15)

Amid a city-wide housing crisis, lack of staffing for those programs will only create more costs for all New Yorkers.

In planning for a new congregate project with NY 15/15, some low-income housing tax credit syndicators and attorneys have indicated that due to HPD staffing shortage, upon site acquisition it could take up to four years to obtain construction funding. This would result in hundreds of thousands of dollars in site holding costs that would make the development of support housing projects unviable.

We urge the Committee to oppose PEGS cuts to HRA, DOHMH and HPD as these purported cuts only increase NYC costs and the unmeasurable misery of the homeless seeking permanent supportive housing.

SUPPORT #JUST PAY AND COLAS FOR ESSENTIAL SUPPORTIVE HOUSING WORKERS

Past austerities have already pushed permanent supportive housing providers to the brink due to lack of meaningful contract increases to fund program staff salaries and wages.

As an example, HSI's two HRA/DHS SRO Supportive Services contracts have seen no meaningful increases in over 20 years even though the contracts bind HSI to 20-year-old service commitments. These contracts fund case management and front desk staff's salaries, wages, and benefits.

At HSI we struggle to match consumer price index increases for our staff so that they do not actually lose purchasing power by working for HSI. Most of our COLAs are not funded by our contracts, Instead, our COLAs are funded by rents that should be funding building maintenance. This puts our buildings' infrastructure at risk and is unsustainable. It also makes it impossible to build sufficient building reserves for our first-generation SRO housing facing intensive capital needs to comply with the requirements of Local Law 97.

As a permanent supportive housing provider, HSI is a de facto social justice organization. However, we are compromised, because we cannot pay just wages due to lack of adequate contract funding. As a result, some of our front-line workers are just one rung away from homelessness.

The lack of COLAs and Just Pay signals to our staff that their work is not valued by New York City

I write this testimony as HSI's Executive Director attempting to speak for our tenants, our staff and NYC's homeless population.

I have appended to this testimony the testimony of Gisele Santana, an HSI case manager and one of the over hundred HSI employees who heroically serve NYC's most vulnerable population. I sincerely hope that you have time to consider her dedication to serving HSI's tenants and her concerns for her own and her peers' future by continuing to work in supportive housing. NYC needs this younger generation of dedicated and skilled workers to ultimately become the future of NYC's supportive housing. NYC simply cannot afford to lose this brilliant generation of future leaders and must provide Just Pay to retain and grow their skills and wisdom.

The tenants, staff, Management and Board of Trustees thank the Committee for its consideration of this testimony.

James Dill

Executive Director Housing and Services, Inc.

#JustPav

I am a case manager and a direct service provider. I work for HSI. HSI is an amazing agency, I work with a team of other service providers. We are extremely passionate about the work we do and the services that we provide. Our team builds amazing therapeutic alliances with our tenants, which allow our tenants to be part of our communities. Our tenants always express gratitude and often stay with us for a long time because of the support we provide them. In some instances, we are all "the family" some tenants have. Human/Social Service workers are extremely underrated, undervalued, and underpaid. During the COVID-19 pandemic, our tenants relied on us for support. Other Human/ Social Services workers served behind the scenes assisting tenants as well as other medical professionals.

Our generation is facing an existential crisis. The American Dream seems to be unattainable for many of us. Many of us have gone to college, have taken out student loans, and continue to invest in ourselves, just to continue to do this type of work. When I tell people that I am a social worker/case manager, I'm often thanked, told "you guys have a hard job" or God bless you. With that being said, the work we do matters, and we play a very important part in creating a balance in society.

With the American Dream slipping further and further away from us, inflation, and the cost of living steadily increasing, we have a whole generation and profession that are doubting their entire lives and existence. I have spoken to other people within my agency and other agencies that cannot afford rents in the same cities they service. I have met other professionals that take their careers very seriously. They come to work to provide the best services they can, but then go sleep in a DHS shelter with their families. We are living during very challenging times; it does not take much for any of us direct service providers to sit on the opposite side of the table needing services. This stark reality also impacts our value and self-worth. We need to be our best selves, to continue to do this type of work. Is it too much to want financial security, stability and to be paid a livable wage? We were promised the American Dream if we played by the rules. We work with New York's most vulnerable; we often help people during their crisis, but who is helping us with our generational challenges? Who is looking out for the profession and all the dedicated professionals that look out for their clients and play their parts in maintaining balance in our society?

In this profession, our code of ethics requires us to be compassionate and treat ALL humans with dignity and respect. We provide services that improve the quality of life for vulnerable populations, our services mitigate crisis while solving social problems. May we also be treated with dignity and respect for the work we do? Can our salaries reflect a livable wage? Many of us live in the same cities we service, and we cannot afford to live in these cities. Many of us cannot afford to live in the very neighborhood that our elected officials expect us to cast votes for them to keep them in office.

Human/Social Services workers should not have to go through DHS Shelter system to find affordable housing. Community-based organizations do not work with Human/Social Services workers, because they "make too much" for their services and are often found ineligible. However, these very professionals cannot afford market rent and are not eligible for rental assistance programs. Human/Social Services workers cannot purchase homes because of the rising cost of homes and interest rates. Down payment assistance programs are not effective because these grants take over four months to be processed and we lose chances to purchase to a cash buyer or

someone who is not working with a program. Housing Connect does not produce enough units that Human/Social Services workers can afford. The quality of the services that we provide could be much better, but we are not being paid enough as the Reallocation Plan points out.

It is imperative that Human/Social Service workers are paid more, and elected officials support our Reallocation Plan and fight for us to have the proper funding and wages that we much need and deserve. We live in an interdependent society, and we do our part. It is time that elected officials do their part and look out for us. We cannot pour into society with empty cups.

Thank you.

Gisele Santana



55 Broad Street, 10th Floor New York, NY 10004 Interboroclt.org

Written Testimony of Interboro Community Land Trust NYC Council Housing and Buildings Committee Hearing on Preliminary Budget for Fiscal Year 2025 March 11, 2024

My name is John Edward Dallas. I'm the director of Interboro Community Land Trust. Interboro appreciates this opportunity to submit written testimony for today's hearing.

About Interboro CLT

I'd like to preface my testimony by acquainting you with Interboro. We were incorporated in 2018. Balancing permanent affordability, equity building, and neighborhood stability, and countering gentrification and speculation, the racial wealth gap, and displacement, our mission is to support New Yorkers and strengthen communities through the development and stewardship of permanently-affordable homes for ownership by lower-income households across the five boroughs of New York City. Interboro is the city's first and, so far, only CLT with a citywide catchment area—hence the name Interboro.

Another distinction held by Interboro is our multipartner structure. Interboro was formed as a collaboration between four mission-driven nonprofit affordable-housing organizations: Center for NYC Neighborhoods, Habitat for Humanity NYC and Westchester, Mutual Housing Association of New York (MHANY), and Urban Homesteading Assistance Board (UHAB).

Three members of the Interboro partnership are nonprofit developers of affordable housing: Habitat, MHANY, UHAB. Among the benefits to Interboro (and ultimately the entire city) of having developers in our collaborative is that the three of them have committed to placing on the CLT as many of their homeownership projects as possible to ensure their **permanent** affordability to lower-income New Yorkers.

As a result of this partnership, Interboro has 426 homeownership units (which will be permanently affordable *and* simultaneously individual, generational, and community wealth-building opportunities) in its pipeline. The majority of these units will be in limited-equity housing cooperatives; the remainder will be single-family homes. They will be spread across three boroughs—Brooklyn, Queens, and The Bronx—and span 13 City Council Districts.

Regardless of type, tenure, or location, all of these dual homeownership and wealth-building opportunities will be affordable and accessible to lower-income households **in perpetuity**. What's more, they will exponentially increase the city's stock of **permanently-affordable** homes located on community land trusts, while retaining and indefinitely recycling, and thus maximizing, the initial investment of public dollars and other types of subsidies.

As with all the other community land trusts in the city (and nationally) whose concentration is permanently-affordable homeownership development and stewardship, Interboro adheres to the universal classic community land trust model with a split-ownership structure.

Under this division, the CLT owns the land beneath all the properties, leasing it, for example, to limited-equity housing co-ops and single-family homeowners who own their buildings and houses, respectively. These separate and co-existing ownerships coupled with a CLT ground lease are essential to the origination, durability, and protection of the exceptionally long-lasting affordability of CLT homes.

Also in common with all other local CLTs, Interboro's espousal of the traditional community land trust model requires its implementation of a tripartite democratic governance structure that facilitates and ensures community empowerment and control.

Citywide Community Land Trust Initiative

Interboro is a member of the NYC Community Land Initiative (NYCCLI), an alliance working to expand community land trusts and deeply and permanently affordable housing and neighborhood-led development.

Interboro thanks the City Council for its support of the NYCCLI network through discretionary funding through the citywide Community Land Trust Initiative. We ask that you increase funding for the CLT Initiative to \$3 million in the FY2025 budget. With this enhancement, the CLT Initiative will support 21 organizations and expand citywide education, organizing, and technical assistance to meet the growing and urgent need for CLTs.

We further ask that a portion of the augmented funding for the CLT Initiative be designated to support fully-operational CLTs. We propose direct grants of \$120,000 per CLT. As CLTs emerge and become established, their funding needs change drastically. A fully-operational CLT with a portfolio and/or pipeline of properties needs funding to cover overhead and operational expenses related to supporting the CLT's stewardship of the properties, the residents, and the public investment.

Funding for these purposes from other sources, such as our state legislature and philanthropic organizations, is nearly impossible to obtain at this time. Yet, CLTs that are strictly stewards, in contrast to CLTs that are also developers or property managers, or that have commercial properties, will find themselves entirely reliant on ground-lease fees for revenue. That income alone, however, will prove insufficient for those CLTs' financial sustainability.

Furthermore, the ground-lease fees CLTs can charge are—and should be—limited. This is both in keeping with their nonprofit mission and to avoid creating monthly payments for lower-income single-family homeowners, for example, that would weaken affordability. Where a CLT has limited-equity co-ops on it, assuming the buildings will have property-tax exemptions from the City, HPD will cap the ground-lease fees through a regulatory agreement, while expecting a host of services from CLTs for which they will have to incur considerable costs to provide.

One of only four fully-operational CLTs, in Fiscal Year 2025 Interboro's portfolio of units will grow from two single-family homes to a total of 36 homeownership units. 15 of these will be historic energy-efficient, new-construction single-family homes in <u>Southeastern Queens</u>.

After the homes are sold to low- and moderate-income households, they will be placed on Interboro to preserve their permanent affordability and so that homeowners can receive stewardship services from Interboro that will ensure their success over the lifetime of their ownership.

A rehab is underway of an occupied 20-unit building, a mix of low-income immigrant strivers from Bangladesh and Central, in <u>Sunnyside</u>. <u>Queens</u>. After the rehab is completed and the co-op is formed, the building will go on Interboro to preserve the permanently affordability of the co-op units and for the co-op to receive stewardship services from Interboro to ensure that it thrives as a perpetual intergenerational community wealth-building opportunity and asset.

Other established CLTs that in FY 2025 will see a substantial expansion of their portfolio, and by extension an escalation in stewardship responsibilities and operating costs, include East Harlem El Barrio and the East New York CLT.

East Harlem El Barrio recently celebrated the rehabilitation of multifamily buildings it acquired from the city in 2020, which will be converted to permanently-affordable mutual-housing units. The East New York CLT closed on its first property, a 20-unit building, just last month, that will become a shared-equity housing cooperative. These and other CLTs are making major strides and meeting pressing community needs.

To support Interboro, East Harlem El Barrio, East New York, and other CLTs in creating community assets, stabilizing neighborhoods, fostering resident empowerment, and expanding asset-building opportunities for lower-income New Yorkers, we urge that Council funding for the CLT Initiative funding be increased and expanded to match the growth of the number of CLTs in the city, supporting CLTs as they grow from emerging to established and supporting the inevitable growth in established CLTs' responsibilities and overhead.

Homes Now, Homes for Generations

In addition to bolstering the capacity and impact of the CLT Initiative with expanded funding, we urge the City Council to ensure robust capital funding for the acquisition, rehabilitation and preservation of community-controlled affordable housing.

In particular, we urge the Council to demand \$2 billion over four years for permanently affordable housing, as outlined in the Homes Now, Homes for Generations platform endorsed by dozens of community and affordable housing groups, as well as the NYC Progressive Caucus, NYC Comptroller Brad Lander NYC, and Public Advocate Jumaane Williams.

This funding would help CLTs and other mission-driven nonprofits acquire and rehabilitate properties, particularly struggling rent stabilized buildings, and construct new housing, by revitalizing and expanding the city's Neighborhood Pillars and Open Door programs. We look forward to working with you to secure this urgently needed funding and ensure that HPD prioritizes funding for CLTs and other nonprofits that create deeply and permanently affordable homes.

NYCHA

Finally, while building new permanently-affordable housing and taking land off the speculative market is critical to addressing our affordable housing crisis, we cannot ignore the deteriorating conditions of our public housing stock. NYCHA residents continue to live in inhumane conditions. Residents often go without heat, hot water, or critical repairs that are essential for health and safety.

The Interboro partnership stands in solidarity with public-housing residents and several groups across the city including Community Voices Heard and Citizen Action and call on the City to dedicate \$3.22 billion in this year's budget to NYCHA for critical repairs and infrastructure upgrades.

That concludes Interboro's testimony. Thank you, Committee Chair Sanchez and members of the Housing Committee, for this opportunity.

INTERBORO COMMUNITY LAND TRUST

Homeownership with lasting affordability for New Yorkers



WHAT IS INTERBORO COMMUNITY LAND TRUST (INTERBORO CLT)?

Interboro CLT helps New Yorkers overcome barriers to homeownership and stewards permanently affordable housing in New York City. While CLT homeowners own their building, Interboro maintains ownership of the land underneath, keeping single family homes and co-ops available at affordable prices to income-qualified buyers, countering gentrification and displacement. CLT homeowners benefit as their home increases in value over time, but, in exchange for the affordable home, they agree to sell at an affordable price to another incomequalified buyer, ensuring that future generations of homebuyers will have the opportunity to live on the CLT.

With housing costs continually outpacing wages, most families are left with few options for stable,

affordable housing. This is particularly true in communities that have faced disinvestment and discrimination but now see home prices surging, threatening to displace longtime residents.

Interboro Community Land Trust's response is to create opportunities for stable, affordable homeownership that allow families to build assets and strengthen ties in their neighborhood. Interboro homes are sold at affordable sales prices with support services that help homeowners withstand the forces of displacement and gentrification and build inclusive, diverse communities.



INTERBORO PROVIDES ONGOING SUPPORT TO HOMEOWNERS.

Interboro CLT provides ongoing support to its homeowners during the purchase process and through the duration of their homeownership including financial counseling, advocacy to lenders, and repair assistance. The success of the homeowner is the success of the CLT; Interboro will do everything it can to ensure the financial security of homeowners.



COMMUNITY MEMBERS HELP GOVERN THE COMMUNITY LAND TRUST.

The CLT provides a collaborative ownership and decision-making structure that includes participation by residents, interested community members, and institutional stakeholders. With the ability to elect members of the Board of Directors, CLT residents have a real role in determining the future of the organization.



INTERBORO LOOKS TO PARTNER WITH LOCAL COMMUNITY ORGANIZATIONS.

Interboro understands that local community-based organizations know their neighborhoods best. That is why we look to partner with community-based groups to bring more homes into permanent affordability and provide services to CLT residents.





Community Benefits

Individual Benefits

LASTING AFFORDABILITY

Interboro maintains the affordability of its homes at each resale, making homeownership available to family after family.

MAXIMIZING AFFORDABLE HOUSING RESOURCES

Public resources (land & funding) for affordable housing keep benefiting the community for generations.

NEIGHBORHOOD STABILITY

Provides housing shielded from the speculative market and protected from gentrification.

Foreclosure rates on CLTs are lower than among non-CLT homes in similar neighborhoods.

EXPANDING HOMEOWNERSHIP

Those who would otherwise be excluded from the housing market can access homeownership.

STABILITY AND FINANCIAL EMPOWERMENT

Housholds build assets and benefit from stable, affordable housing.

DEMOCRACY IN ACTION

Residents have a role in determining the future of their organization and their neighborhood.

CONTACT US: info@interboroclt.org

Learn more at www.interboroclt.org

Balancing permanent affordability, equity building, and neighborhood stability, Interboro CLT supports New Yorkers and strengthens communities through the development and stewardship of permanently affordable homes for ownership by low-income households across the five boroughs of New York City.









Corporate Partners







TESTIMONY OF NEW DESTINY HOUSING TO THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING

Gabriela Sandoval Requena, Director of Policy and Communications

March 11, 2024

Thank you, Chair Sanchez, members of the City Council Housing Committee, and Council staff for holding this hearing on the preliminary budget for Fiscal Year 2025.

Founded in 1994, New Destiny's mission is to end the cycle of domestic violence and homelessness for low-income families and individuals by developing and connecting them to safe, permanent, affordable housing and services. We build and manage supportive housing, and, through our innovative programs, we assist survivors in finding permanent housing and remaining stably housed.

New Destiny is the only organization in New York City solely dedicated to the solution of permanent housing for survivors and a leading advocate in the effort to obtain the resources needed to house survivors. To learn more, please see our <u>policy recommendations</u>. New Destiny is also a co-convener of the <u>Family Homelessness Coalition (FHC)</u>, a collective of mothers with lived experience of homelessness and organizations committed to tackling homelessness among families in our city, as well as members of the Supportive Housing Network of New York and the Association for Neighborhood & Housing Development.

DOMESTIC VIOLENCE AND HOMELESSNESS

While only about half of all domestic violence instances are reported, the NYPD still filed1 domestic violence incident report every 2 minutes in 2022. Access to safe and affordable housing is one of survivors' biggest, most urgent concerns and it often determines whether they leave their abuser.

Domestic violence continues to be a main cause of family homelessness in New York City. More than 1 in 5 families with children who entered the Department of Homeless Services (DHS) shelter system identified domestic violence as the reason for their homelessness in Fiscal Year (FY) 2023. Additionally, 10,640 survivors sought refuge in the separate Human Resources Administration (HRA) domestic violence shelter system in calendar year 2022, 96% of whom were families with kids.

Once in domestic violence emergency shelter, survivors are 8 times more likely to move to DHS or another shelter than to a permanent home upon reaching the state-mandated six-month limit. Moving to DHS means that survivors lose the anonymity and specialized services of the domestic violence shelter system. Moreover, their time spent in domestic violence shelter does not count toward time in shelter in the DHS system, a marker used to prioritize households for housing. In 2022, more than 1 in 2 survivors left shelter for shelter and only 6% were able to secure permanent housing. Hundreds of other survivors were reported as *making their own arrangements*, *unknown*, or *other*. With a vacancy rate of only 1.4% in New York City, it is

very likely that many of them left shelter to return to their abuser. According to the National Domestic Violence Hotline, survivors go back to their abusive partners an average of seven times before they leave for good.^{viii}

Survivors sleeping in shelter make up only a fraction of survivors without a safe home to go. The New York City domestic violence hotline received 92,410 calls in 2022, and in 2023 more than 16,000 survivors made nearly 50,000 visits to the city's Family Justice Centers. While anyone can be affected by domestic violence, women of color, in particular Black and Hispanic, are disproportionally impacted. In 2022, 97% of head of households in HRA domestic violence shelter identified as female, 60% were Black, and 33% were Hispanic. Between 2010 and 2022, Black New Yorkers were 2.4 times more likely than members of other racial or ethnic groups to be victims of domestic violence homicide. When the property is a safe home to go and in 2022, a

Most survivors need housing assistance because they cannot access whatever household resources existed. More than 94% of survivors of intimate partner violence experience financial abuse and isolation xii and over half are victims of nonconsensual, credit-related transactions. As a result, survivors often have poor credit scores and rental history, or may have lost their rental subsidy due to violations committed by the abuser. The shortage of affordable housing only heightens the barriers for survivors as they strive to regain stability. In 2023, the net rental vacancy rate of homes renting under \$2,400 fell below 1%.xiv Challenges are even greater for survivors from marginalized communities, survivors with a disability, and non-citizens survivors due to systemic discrimination and lack of equitable access to resources.xv

RECOMMENDATIONS

While the city has made strides in recent years toward bringing accountability to the various shelter systems, increasing rental subsidies, and developing more supportive and affordable housing, domestic violence survivors continue to be left out of life-saving housing, such as the city's homeless set-aside apartments and city-funded supportive housing. This must change. Also, the city must implement and invest adequately in the newly created flexible funding microgrant program for survivors, which can prevent homelessness and shelter recidivism for a fraction of the cost of shelter and re-housing efforts.

As Outlined in the Housing our Neighbors Blueprint, Allow Survivors in HRA Domestic Violence Shelter to Access HPD Homeless Set-Asides. The New York City
Department of Housing Preservation and Development (HPD) creates a critical pipeline from shelter to permanent housing for homeless New Yorkers by requiring most developers who receive public funding to set aside at least 15% of their apartments for individuals and families in shelter. These units are commonly referred to as HPD homeless set-asides. In FY 2023, HPD moved nearly 2,000 homeless households into newly constructed units and 548 into re-rental apartments.^{xvi} However, only a handful of these homes were "volunteered" to survivors living in the HRA domestic violence shelter system. Currently, the administration formally allows only individuals and families in the DHS shelter system to access these units, despite committing "to even the playing field for all New Yorkers" in the Housing Our Neighbors Blueprint in April 2022. Expanding access to homeless set-asides would not only make this valuable housing resource more equitable, but would fill vacancies more quickly, and help survivors avoid having to enter DHS shelter when they time out of domestic violence shelter.

Open Up City-Funded Supportive Housing to Domestic Violence Survivors. Unlike New York State supportive housing programs, the city supportive housing initiative, NYC 15/15, does not include domestic violence survivors. NYC 15/15 requires families to meet the federal definition of "chronically homeless" to be eligible for supportive housing. There are two criteria: families must have a lengthy stay in DHS shelter—which doesn't include the 180 days spent already in an HRA emergency domestic violence shelter—and have a diagnosed disability, such as serious mental illness or substance use disorder— which domestic violence survivors rarely divulge for fear of losing custody of their children to their abuser. In other words, survivors are effectively shut out of this important housing resource. At least half of survivors experience post-traumatic stress disorder and depression; moreover, survivors can sustain head trauma more often than football players, but they are rarely diagnosed. Evilia Permanent, supportive housing is a lifeline for domestic violence survivors who need housing and some level of support to attain and maintain stability.

Additionally, the city must improve NYC 15/15. Increase overall access to supportive housing by building more, and relying less on an already crowded housing market, to house New York's most vulnerable residents. New Destiny supports the Supportive Housing Network of New York's recommendations to improve NYC 15/15, especially the ask to develop additional congregate units above the original 7,500 allocation. NYC 15/15 is in its eighth year and falling below its target. The city has only awarded 17% of scattered site allocation, whereas 80% of congregate units have been awarded.

Ensure HPD and DOB have the resources they need to clear the backlog of affordable housing projects and develop and train new staff. New York City's affordable housing and homeless crisis can only be addressed by increasing affordable housing supply. HPD and the Department of Buildings (DOB) play critical roles in expanding the city's affordable housing stock. Compared to FY 2023, new construction has slowed down in FY 2024. In the first four months of FY 2024, the city started about a third of units that the agency started during the first four months of the previous year (134 compared to 381 units) and a tenth of the number of supportive housing units (25 compared to 250 units). Last year the Mayor instructed agencies to propose 15% cuts to their budgets, in three installments of 5% - November, Preliminary, and Executive Budgets, and imposed a citywide hiring freeze. The administration has since cancelled the final 5% and eased the hiring freeze, but it is essential that HPD is allowed to fully staff.

New Destiny would also like to thank the Council for their Domestic Violence Empowerment (DoVE) initiative discretionary funding support in past years and respectfully requests for renewed funding in FY 2025. Council Discretionary Funding enables New Destiny to cover operational costs and continue providing paramount services to families and individuals who have gone through the double trauma of homelessness and abuse.

Thank you for the opportunity to submit written testimony. New Destiny looks forward to continuing to collaborate with the Council. We welcome any questions you may have.

Gabriela Sandoval Requena Director of Policy and Communications <u>gsrequena@newdestinyhousing.org</u>

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Testimony of Justin Wood, New York City Council Committee on Housing and Buildings Regarding the FY2025 Preliminary Budget March 13, 2024

Thank you, Chair Sanchez and members of the committee for the opportunity to submit testimony regarding the FY2025 preliminary budget to the Housing and Buildings Committee and uplift some priorities and concerns regarding the mayor's proposed budget and implementation of New York City's landmark building emissions law, Local Law 97 of 2019.

In this budget process, we call on the Council to continue defending vital city services and investments from budget cuts and flatlining. The New York City Independent Budget Office (IBO) has projected a budget surplus that is \$2.8 billion higher than the Mayor's Office of Budget and Management (OMB). IBO also estimates \$2.4 billion less in spending on asylum seekers than what is reflected in the Administration's estimates across 2024 and 2025. Similarly, the Council's own forecast shows substantially more revenue than estimated by OMB. Now is not the time to retreat from our city's climate, job creation, public health, and equity goals, including the achievement of rapid reductions in emissions from buildings.

Local Law 97 Implementation

New York City's most ambitious climate law is at substantial risk of not being implemented equitably and adequately.

Thanks to oversight from the City Council, we learned the troubling news last December that the City's own buildings are not in compliance with the emissions reduction mandates of Local Law 97.¹ This is unacceptable given the urgent need for public sector leadership as a spiraling climate crisis impacts more New Yorkers more severely and more frequently with each passing year.

We hope to work closely with the Council, the Mayor's office, and the City's state representatives to advocate for unprecedented and rapid investments in proven solutions including building efficiency retrofits, robust demand response programs, building electrification, and aggressive expansions of renewable energy, storage, and transmission capacity in the City.

We are encouraged by the addition of staff at the Department of Buildings' Office of Buildings Energy and Emissions Performance (OBEEP). As City begins process the submissions for compliance of every building over 25,000 square feet, nearly 50,000 properties, we must continue to ensure that this office is amply funded and staffed to fully enforce Local Law 97 and to support thousands of building owners who need assistance in financing and carrying out efficiency and renewable energy projects. The review of their compliance must include

¹ https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=1138629&GUID=FC4E3B98-481B-43DF-A717-316EC50987B3&Options=info%7C&Search=

thorough document review as well as analyses to determine if a building owner has made "good faith efforts," to comply,

We also urge the Council to push for at least three new positions at the Office of Policy and Strategy at the Department of Housing Preservation and Development (HPD) to specifically support Local Law 97 compliance in the City's vital affordable buildings.

We also support the allocation of at least \$5 million to NYC-based organizations based in disadvantaged communities to provide education, outreach, technical assistance services for the fast-approaching compliance period, tenant support, and lease assistance. While the NYC Accelerator is a wonderful resource that currently provides free assistance, it is not clear how effective the previously allocated \$36 million to the NYC Accelerator has been, given the substantial confusion and lack of awareness community members have surrounding the implementation of Local Law 97. Community based organizations are in a unique position to directly assist the communities they serve with a range of Local Law 97 issues that are not reduced purely to building owners, such as leasing, affordable housing, tenant involvement, and co-op specific compliance.

Throughout our educational outreach work on Local Law 97, we have encountered numerous community members who are unfamiliar with the law, and others who are fearful of its implications for tenants, co-ops, and other less resourced building owners. As such, financial assistance for community-based organizations is critical to ensure we do not force them or the residents they serve out of their local communities, as well as

Green Affordable Housing Fund

We encourage the Council to draft, introduce, and pass legislation establishing a Green Affordable Housing Fund to allow private building owners to pay into a fund, serving primarily low-income and environmental justice communities, instead of paying fines in Local Law 97 that are placed in the City's general fund. Affordable building owners would be allowed to access the fund to have upfront capital improvement costs covered for projects that reduce a building's emissions.²³ We look forward to working with City Council on the development of this fund and ensuring there is sufficient flexibility and oversight to best serve low-income and environmental justice communities.

² See: Cap the Credits, New York City Comptroller Brad Lander, November 14, 2022; https://comptroller.nyc.gov/reports/cap-the-credits/; ORDINANCE AMENDING CITY OF BOSTON CODE, ORDINANCES, CHAPTER VII, SECTIONS 7-2.1 AND 7-2.2, BUILDING ENERGY REPORTING AND DISCLOSURE (BERDO);

https://www.boston.gov/sites/default/files/file/2021/12/Final%20Amended%20Docket%200775%20BERDO%202_0.pdf

False Solutions Remain a Threat

We remain concerned that for-profit companies continue to promote unproven, energy-intensive technologies like carbon capture, utilization and storage (CCUS) as "quick fixes" to our city's emissions reductions law, when in fact these false climate solutions may exacerbate energy consumption and may create additional health and safety risks for local communities.⁴ We urge the Council to pass explicitly exclude CCUS from any definition of "good faith efforts" the City adopts in future Local Law 97 compliance periods, and to remain vigilant that these false solutions are not subsidized or funded by local or state tax abatements intended to help building owners reduce emissions.

We look forward to continuing to work with you on implementing Local Law 97 and ensuring New York City meets all our climate goals.

Thank you,

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New York Lawyers for the Public Interest
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NYLPI has fought for more than 40 years to protect civil rights and achieve lived equality for communities in need. Led by community priorities, we pursue health, immigrant, disability, and environmental justice. NYLPI combines the power of law, organizing, and the private bar to make lasting change where it's needed most.

NYLPI's Health Justice Program brings a racial equity and immigrant justice focus to health care advocacy, including ongoing work addressing the human rights crisis in immigration detention and advocating for healthcare for all New Yorkers.

⁴ A Huge City Polluter? Buildings. Here's a Surprising Fix., Brad Plumer, New York Times, March 10, 2023; https://www.nytimes.com/interactive/2023/03/10/climate/buildings-carbon-dioxide-emissions-climate.html



Testimony of Alia Soomro, Deputy Director for New York City Policy New York League of Conservation Voters City Council Committee on Housing and Buildings FY25 Preliminary Budget Hearing March 11, 2024

My name is Alia Soomro and I am the Deputy Director for New York City Policy at the New York League of Conservation Voters (NYLCV). NYLCV is a statewide environmental advocacy organization representing over 30,000 members in New York City. Thank you, Chair Sanchez, and members of the Committee on Housings and Buildings for the opportunity to comment.

NYLCV urges the Council to work with the Adams Administration to provide robust funding for the NYC Department of Buildings' (DOB) Local Law 97 (LL97) implementation as well as DOB's and the NYC Department of Housing Preservation & Development's (HPD) efforts to end lead poisoning.

Implementing Local Law 97

In New York City, <u>buildings</u> account for over 70% of the City's greenhouse gas emissions. This is one of the reasons why the City Council passed and NYLCV strongly supported Local Law 97 in 2019—to directly combat this source of climate change and reduce harmful pollutants that disproportionately impact low income and communities of color. With the first year of LL97 compliance upon us, thousands of building owners now are responsible for the carbon they emit.

Given the urgency of the climate crisis, NYLCV was disappointed when OMB implemented an across-the-board hiring freeze late last year for City agencies. Although the Administration announced earlier this year that there would be an easing of the hiring freeze, now permitting one hire per two separations according to the Comptroller's Office, the January PEG shows DOB with 90 reductions in FY25 and a vacancy rate of 6 percent as of the January Headcount Plan. We echo the Comptroller's comments in that it remains difficult to properly evaluate many of the City's PEGs without a monitoring system that tracks planned PEGs and their rates of success. Going forward, we believe the Administration and OMB should utilize more transparent budget mechanisms to better understand PEG impacts for each City agency and the programs they are responsible for carrying out.

While we understand the fiscal challenges facing the City, NYLCV urges the Administration and City Council to ensure the speedy, effective, and equitable implementation of LL97 by providing robust funding for DOB hiring and staffing, particularly for DOB's Office of Building Energy and

Emissions Performance (OBEEP). OBEEP must be prioritized when funding decisions are made in order to handle the full scope of work needed to implement this law effectively and efficiently, which includes technical assistance, conducting analyses required by the law, complete the LL97 rulemaking process, deliver outreach and education to owners; and prepare for the substantial review and enforcement of 'good faith' applications and decarbonization reports that will start coming in by May 2025.

We recommend increased funding to support the outreach and education needed now that the first compliance period has begun, and ask that the City consider allocating more funding toward NYC Accelerator staff capacity. This should also include funding for translating materials into multiple languages. Additionally, to help building owners comply with the new regulations without burdening low- and middle-income owners and tenants, the City should expand financing programs such as property assessed clean energy (PACE) financing options. The City should also explore the use of LL97 alternative compliance mechanisms such as an Equitable Building Fund for buildings that cannot meet the emission cap, which would go towards energy efficiency and electrification upgrades to designated affordable housing.

NYLCV urges the City to continue coordinating and identifying funding opportunities at all levels of government, including targeted funding for NYCHA retrofits, and low-income businesses, homeowners, and tenants. Now that the New York State Environmental Bond Act has been approved by voters, we urge the City to apply for future funding at the state level to be used toward building decarbonization for publicly-owned buildings and schools, especially in disadvantaged communities. Lastly, the City is uniquely positioned to apply for funding at the federal level given the recently-passed Infrastructure Investment and Jobs Act and Inflation Reduction Act.

Moreover, as we implement LL97, the City must also increase funding for an equitable, green workforce training and development program—with an emphasis on investment in frontline communities. This law has the potential to create more than 140.000/ jobs by 2030 in NYC. These jobs should be well-paying, union jobs, which will help reduce unemployment and raise wages. With the recent announcement of the Administration's Green Economy.org/ Action Plan, we hope funding will be made available to grow the City's green workforce, specifically for a green building and construction workforce pilots. This means there should be increased access to Career and Technical Education (CTE) programs across schools and certification programs, as well as increased investments in union-linked pre-apprenticeships, apprenticeships, and direct-entry programs. These programs would also expand access to workers traditionally underrepresented or systematically excluded from this industry.

Local Law 97 is a critical step towards reducing carbon emissions and combating climate change, and we cannot afford any missteps or delays. The City must prioritize funding for OBEEP to ensure the law achieves its ambitious intention.

Eliminating Lead Poisoning

As a member of the New York City Coalition to End Lead Poisoning (NYCCELP), NYLCV stands with advocates calling for the elimination of lead poisoning in NYC through a holistic multi-agency approach. We must eliminate all sources of lead exposures in the City because no level of lead exposure is safe, as even small amounts can cause neurological damage and other health problems especially in children. Furthermore, lead exposure disproportionately affects children in low-income and communities of color, and it will continue to do so until we take the necessary steps to ensure it ends. Despite passing Local Law 1 of 2004—the most ambitious lead poisoning prevention law in the county with the stated goal of ending childhood lead poisoning by 2010—lead poisoning is still a major concern.

As stated in NYCCELP's 2024 Lead Agenda, the City must invest in programs and interventions that will especially protect children from lead poisoning. We know the primary source of lead poisoning is lead paint in NYC's old housing stock. To enforce LL1 of 2004 and the provisions that have been added to city code in the intervening years, the City must fully fund agencies in order to conduct inspections, test dust and paint for lead, remove lead service lines that deliver water, and other necessary functions that address lead concerns of New York City's families. The City's budget must reflect the needs of this unnecessary and long-standing crisis.

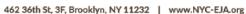
This includes measures funding proactive inspections and notification for tenants exposed to lead hazards. The City must ensure sufficient funding goes towards DOB's code enforcement and Office of Tenant Advocate. Additionally, HPD needs sufficient funding for its Lead Hazard Reduction and Healthy Homes Program.

NYCCELP is concerned that sweeping PEG cuts could negatively impact the efficacy of lead poisoning prevention policies and programs due to hiring freezes and vacancy reductions across all of the agencies listed above. Furthermore, recent and future lead laws will lack the funding necessary to properly enforce and to reach the goal of eliminating lead poisoning in New York City.

NYLCV urges the Council to provide robust funding for DOB's LL97 implementation and DOB and HPD's work to end lead poisoning. Without this, the City cannot adequately address existing public health inequities and future climate threats.

Thank you for the opportunity to comment.

New York City Environmental Justice Alliance





On the ground - and at the table

March 11, 2023

Testimony on the FY2025 Preliminary Budget to NYC Council Committee on Housing and Buildings

Good afternoon Chair Sanchez and members of the council, my name is Shravanthi Kanekal and I am the Senior Resiliency Planner at the New York City Environmental Justice Alliance (NYC-EJA). Founded in 1991, NYC-EJA is a non-profit citywide membership network linking 11 grassroots organizations from low-income neighborhoods and communities of color in their struggle for environmental justice.

The lack of investments towards climate and resiliency in the FY 2025 preliminary budget are concerning to say the least. Mayor Adams needs to make climate a bigger priority for his administration. Recent events show us that the climate crisis represents, for many New Yorkers, the biggest threat to their public safety and the city's overall safety. Failure to acknowledge and act on this puts the lives of Black, Brown, and low-income New Yorkers at increased risks. NYC-EJA is very concerned with proposed budget cuts to key agencies that require adequate staffing and funding to work towards a Just Transition for our city that is equitable and accessible to all New Yorkers - especially those residing in disadvantaged and other environmental justice communities. Climate justice is not just a concept, it's also a set of actions to accommodate and center those who are most at risk to the impacts of climate change.

Our priority this year is to ensure the City work with key agencies to advance a climate agenda to invest directly in our communities through the City budget. In order to deliver on climate action, DOB must work effectively with other key agencies such as DEP, HPD, DCAS and others. Coming out of last session, the Climate Works For All coalition (CW4A) demanded that key investments be directed towards the full and equitable implementation of Local Law 97 (LL97). This year we are building on those demands.

We call on the administration to commit to fund the following:

- Dedicate \$1.6M to fund and staff 10 positions at OBEEP for Local Law 97 (LL97) compliance and enforcement
 - The effective implementation of LL97 cannot move forward without public sector oversight and enforcement. The Office of Building Energy Emissions Performance (OBEEP) under DOB must be fully staffed and adequately funded to ensure that all building owners are assisted. OBEEP's responsibilities will only grow past 2024 as additional buildings will have to be supported with the various reporting requirements as we approach the law's stricter 2030 emissions

reduction mandates. DOB must ensure timely submissions, as well as evaluating the building owner's overall compliance (eg: review of decarbonization plans and other reports).

With 21 positions currently funded at OBEEP, we estimate that 10 additional positions would help support the implementation of LL97. We estimate that 5 data analyst positions would need \$850,000 to be added to DOB's budget and 5 inspectors would be an additional \$750,000. Therefore 10 additional positions would require a total of \$1.6 million in DOB's budget for OBEEP.

- Redirect funding (~\$5M) from NYC Accelerator to local NYC-based organizations to provide education, outreach, and technical assistance services on LL97 compliance for the first compliance period 2024-2029
 - There needs to be greater transparency on the workings and progress of the NYC Accelerator. It is unclear where and how \$32 million has been spent over the last 3 years, on what specific aspect of outreach, and how many buildings with emissions over the caps set for 2024 have been assisted through NYC Accelerator.
 - Local NYC organizations and Community Based Organizations (CBOs) should be supported to conduct outreach and education initiatives on LL97, as they are the best suited to do outreach more effectively in their respective communities.
 With input from local organizations working on the ground, CW4A estimated that there should be a minimum of \$5 million allocated in the FY 2025 budget for local NYC organizations to carry out outreach initiatives on LL97 compliance.
- Fund at least 3 staff positions at Department of Housing Preservation and Development (HPD) to increase capacity dedicated to affordable housing LL97 compliance
 - Affordable housing is a key piece of LL97 and should not be left behind when it comes to being sufficiently supported in order to comply. HPD should be adequately staffed to ensure that affordable housing buildings are being assisted.
 We estimate that 3 new positions at the Office of policy and strategy at HPD would require approximately \$480,000 in HPD's budget.
- Establishing a Green Affordable Housing Fund for building owners to pay into, that would deliver additional support for energy efficiency upgrades in affordable housing in order to comply with LL97.
- We also encourage the City to explore identifying and possibly subsidizing the option of thermal energy networks as opportunities for co-ops, and other large campuses to explore on a neighborhood scale.

New York City needs to genuinely embark on a rapid and funded effort to achieve a just transition to a decarbonized and renewable energy economy.

Thank you for the time and opportunity to testify.

Testimony to New York City Council Housing and Buildings Committee Executive Budget FY25

Public Hearing

March 11, 2024

Wendell Walters

Manager, Policy & Advocacy
Osborne Center for Justice Across Generations



Thank you for the opportunity to testify to the Housing and Buildings committee. My name is Wendell Walters and I am the Manager for Policy and Advocacy at the Osborne Center for Justice Across Generations at the Osborne Association. Osborne is one of the oldest and largest criminal justice organizations in the state. We have offices in Harlem, Brooklyn, Newburgh, White Plains, Troy, Buffalo, and our headquarters in the Bronx. We serve 10,000 participants each year and provide services from arrest to reentry. We also have programming in 41 state prisons and on Rikers Island. Through advocacy, direct service, and policy reform, Osborne works to create opportunities for people to heal, grow, and thrive.

Why, you might ask, is Osborne giving testimony in the Housing and Buildings Committee? It's a fair question. As previously stated, we are primarily a criminal justice service provider and you wouldn't think of us having an interest in housing policy and advocacy. Well, lack of stable housing or being unhoused is often part of the story preceding incarceration, and housing is often the most difficult reentry issue for the thousands of individuals who return to NYC from incarceration. In fact, reentry housing is by far the most common challenge cited by staff who work with our participants in a range of program areas.

We understand that affordable housing is a big problem for most New Yorkers. It's no secret that the demand for housing is significantly greater than the vacant and available inventory. In recent findings by the NYC Department of Housing Preservation and Development (HPD), the vacancy rate has plummeted to 1.4%, a level not seen in decades¹. The pace of construction to build new units cannot keep up with the demand to live in New York City, and as a result, the cost to rent an apartment continues to rise. In order to address this problem, we need to build hundreds of thousands of units at great cost. Sadly, many New Yorkers are forced to leave the City due to housing costs.

Now consider how difficult it must be for those who are returning to NYC after years of incarceration. Thousands of people return here from incarceration each year, but instead of "coming home," they go straight into the shelter system. According to the *State of the Homeless* 2023² report, every year since 2015, between 45 and 55 percent of those leaving state prison were discharged to the NYC shelter system. And with the current migrant crisis overwhelming

¹ NYC Department of Housing Preservation and Development, February 2024, <u>2023 New York City</u> Housing and Vacancy Survey - Selected Initial Findings

² Coalition for the Homeless, June 2023, <u>State of the Homeless 2023, Compounding Crises, Failed Responses</u>

the shelter system, it is even more difficult now. Even those who are provided rental assistance vouchers are subject to discrimination based on source of income and conviction histories, compounding an already herculean effort needed to find a home.

We thank the City Council for passing the Fair Chance for Housing Act, which will go into effect in January 2025 and should eliminate housing discrimination based on convictions.

We cannot forget about these individuals - people returning from incarceration are mothers, fathers, sons, daughters, and people, too. Thankfully, significant efforts are being made by some to address the issue of housing instability for this community of people. The Fortune Society has been a leader in the development of reentry housing since building the Castle decades ago and Osborne is now doing our best with the soon to be opened **Fulton Community Reentry Center**. This transitional housing development has 140 beds for older men returning from prison, and offers an array of reentry services in the former state-owned Fulton Correctional Facility. We are grateful for operating support from DHS and past Council funding for Fulton. We are again **requesting Council support in the amount of \$250,000 for Fulton** to specifically support: 1) workforce development training for residents; 2) group sessions for residents and community members; 3) restorative justice community-building circles for residents and community members; and, 4) a therapeutic horticultural program.

Knowing that transitional housing is meant to help temporarily stabilize the lives of the previously incarcerated, there does come a time when they must be able to find permanent housing in a supportive environment conducive to their needs. With that in mind, Osborne partnered with an affordable housing developer that dedicated 52 units of supportive housing for the previously incarcerated with a target of those who are 50+ years of age and have served at least 7 years. Funding to support program operations came from the state's Empire State Supportive Housing Initiative ("ESSHI"). Located in Brownsville, Brooklyn, the **Marcus Garvey Supportive Housing Program** has brought relief to its residents in their quest to find a home and a place that recognizes their needs. This is especially so for those who were incarcerated for many years and have come back to an unfamiliar world. One resident of Marcus Garvey said, "I didn't come out into a new world; I came out into a new universe." Now in his 70s, he lives in an apartment that is his first home, and he treasures it.

We also have other similar permanent supportive housing projects in our modest pipeline, but have not sought participation in the City's Justice Involved Supportive Housing ("JISH") due to

concerns of inadequate funding and the focus on those cycling through City jails (which is important) rather than those returning home from state prison.

While these are all great projects that will help many, we will not be able to fund and build our way out of the problem of the lack of reentry housing. That's why Osborne has developed a program that utilizes the most obvious source of housing - the homes of the families of the previously incarcerated. While still in a pilot stage, the **Kinship Reentry Housing Program** aims to address two intertwined challenges for people returning from incarceration: safe and stable housing, and reintegration with loved ones in the community.

Based on the "kinship foster care" model that allows relatives who are fostering children to receive the same support that unrelated foster parents receive, Kinship Reentry addresses the underlying challenges that may discourage families from offering people coming home from prison a safe place to land. The program offers families direct cash payments, counseling, and support services they need to provide stability to returning loved ones. As part of that support, peer workers draw from their own experiences welcoming a loved one home to work with families to understand and address the effects of prison and reintegration challenges. In addition to diverting people from shelter beds that would cost the City considerably more, this solution reinforces what we already know: that people who return to supportive home environments have the best chance to rebuild their lives and thrive after incarceration. We look forward to expanding the program in NYC with additional funding, and believe that Kinship Reentry has the potential to have a statewide impact, providing housing and strengthened family relationships for the thousands returning home from prison at a fraction of the cost.

And lastly, we must recognize that housing stability is a matter of public safety. People are most vulnerable after release and that is when they most especially need the stability of proper housing. Being unhoused can impact an individual's ability to find gainful employment, continue an education, get medical and mental health care, and reunite with and provide for their families, including children. They are even more likely to end up back in jail or prison if forced to navigate street life and unsafe shelters.

Osborne does the work. We are dedicated to the mission of supporting those who are inside and those who come home. Upon reentry, people face a host of issues as they reintegrate into society and reentry housing is at the top of the list. We urge the City Council to invest in reentry

housing, support community-based organizations that are addressing this need, and divert funds away from punitive measures and incarceration, and towards solutions that work.

On this note, we urge you to stand unwaveringly on the path to close Rikers by August 2027, and to increase funding for ATI programs that are critical to this effort. It simply cannot be overstated how effective and affordable ATI programs are: for the cost of one person being detained on Rikers for one year (around \$556,000) – a year in which they are likely to experience or witness violence, are separated from their family, may lose their job and home, and their health and mental health may worsen – ATIs can serve more than 30 people, and yield positive and life-changing results that make us all safer.

Osborne has been a proud member of the **Alternatives to Incarceration (ATI) and Reentry Coalition** since its inception and we are among the 11 organizations that collectively serve more than 25,000 justice-involved individuals each year. This year's **funding request includes an increase of \$100,000 per organization from current funding levels.** Reducing the number of people on Rikers and diverting them from incarceration frees up critical and limited resources that can be invested into housing.

A summary of the 9 discretionary funding requests Osborne has submitted to the City Council is attached to my testimony.

Thank you for your time and consideration.

The Osborne Association New York City Council

FY25 Discretionary Funding Requests

Program	Description	FY25 Request	FY24 Funding
Alternatives to Incarceration and Reentry Services	Osborne's portion of the ATI coalition request, which will support multiple programs: (1) court advocacy and mitigation services; (2) video visiting and family strengthening activities; (3) expansion of job training and placement; (4) elder reentry services; and (5) the Osborne Center for Justice Across Generations.	\$1,952,074	\$1,852,074
Rikers Island: Partial Program Restoration- Supportive Services at George R. Vierno Center (GRVC)	To relaunch critical rehabilitative services for people who are detained at the GRVC on Rikers Island. Osborne will restore daily group services for up to 18 housing areas, serving approximately 360 people per week.	\$500,000	N/A
Bronx Osborne Gun Accountability and Prevention (BOGAP Program	For expanding BOGAP—an innovative diversion program developed with the Bronx DA—to serve approximately 75 participants annually. Funds will be used to provide hot meals to program participants, stipends for internships, and additional support services to participants to increase their chances of success in the program.	\$20,000	\$20,000
Elder Reentry Initiative Services and Advocacy	To support two related program areas: (1) The Elder Reentry Initiative's participant screening, intake and assessment, reentry service plans, community case management, and technical assistance; and (2) Osborne's advocacy and public education on behalf of older adults.	\$100,000	\$90,000

The Fulton Community Reentry Center	For Osborne's new transitional reentry housing facility. Funding will support workforce development training for Fulton residents; group sessions for residents and community members (e.g., AA meetings); restorative justice community-building circles for residents and community members; and a therapeutic gardening program.	\$250,000	\$10,000
Health and Wellness – Ending the Epidemic	To support formerly incarcerated people who are living with or at high risk of contracting HIV and come from low-income communities of color, with a focus on LGBTQIA+ people. Osborne will provide sexual health education, prevention/treatment, trauma support, and other supportive services.	\$60,219	\$60,219
Hep Free NYC	To support a new, full-time staff position of Hepatitis B and Hepatitis C Patient Navigator—who will serve formerly incarcerated people and others with criminal legal system involvement from Osborne's offices in the Mott Haven section of the South Bronx.	\$125,000	N/A
Implementation of the NYC Safeguarding Children Initiative	To support implementation of Local Law 1349-A, enacted to reduce trauma to children when NYPD arrests the parent of a child. Osborne will provide necessary training and administrative support to the NYPD, and build a network of CBOs that can provide post-arrest support to children.	\$265,000	\$265,000
Improving Behavioral Health and Wellbeing for Youth	For assessing and addressing mental health and trauma in youth impacted by the criminal legal system through treatment options that alleviate stress, improve functioning, and reduce trauma symptoms. Targets: 60 assessments; 120 referrals.	\$158,000	\$158,000





fighting predatory equity and tenant harassment organizing nyc tenants for the right to stay in our homes and communities

Testimony Concerning:

The Preliminary Budget for Fiscal Year 2025

Presented To:

The New York City Council's

Committee on Housing and Buildings

March 11, 2024

Presented By:

Colin Kent-Daggett

Advocacy Coordinator/Paralegal, Housing Rights

TakeRoot Justice

123 William Street, Suite 401, New York, NY 10038

Phone: (646) 459-3037

FY 2025 Initiative Funding Requests

- \$4 million for Stabilizing NYC
- \$3 million for Community Land Trust (CLT)
- \$4.95 million for the Community Housing Preservation Strategies Initiative

Hello and Thank you to Chairperson Sanchez and the Committee on Housing and Buildings for your leadership.

My name is Colin Kent-Daggett and I am an Advocacy Coordinator/Paralegal with the Housing Rights team at TakeRoot Justice.

TakeRoot Justice provides legal, participatory research, and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic, and social oppression. TakeRoot has a twenty-two year history of partnering with grassroots and community-based organizations that build leadership and power within New York City's low-income communities, particularly communities of color, immigrant communities, and others traditionally excluded from policymaking.

TakeRoot Justice works side-by-side with community organizations, tenants & community leaders as they fight against gentrification to demand better living conditions, affordable rents, and a voice in the policies that shape their neighborhoods. This advocacy has resulted in millions of dollars' worth of repairs in low-income housing and has kept New Yorkers in their homes.

TakeRoot is a founder and coordinator of Stabilizing NYC, a coalition of grassroots organizations that combines tenant organizing with legal representation to combat tenant harassment and preserve affordable housing for the New Yorkers who need it most. The City Council has funded Stabilizing NYC every year since 2014.

We are requesting \$4 million to allow a modest COLA increase to each of the 20 coalition members, helping to ensure that we can continue to do the same amount of work as business and living costs have risen sharply. With the increase of \$300,000, we can protect more homes, win more building improvements and strengthen community organizing across the City.

Preservation Strategies Initiative (CHSPI), and Community Land Trust (CLT) and we ask for your continued, and enhanced support for these initiatives. My colleague Paula Segal is testifying today on the (CLT) initiative, whose work is critical to help build equity and limit speculation in our neighborhoods. With CHSPI, we fight alongside 45+ CBOS to prevent evictions, win repairs, empower tenants and protect homes. With CHSPI, we run a warmline on tenant rights for Council District (CD) 4; hold NYCHA accountable for repairs with resident leaders in CD5; and conduct monthly tenant clinics and workshops with Goddard Riverside SRO Project in CD6.

TakeRoot Justice and the 19 grassroots groups that are part of Stabilizing NYC form and strengthen hundreds of tenant associations to fight against predatory equity tactics. Despite the limits of the pandemic, SNYC groups continued to organize tenant associations and represent

tenants across the City. Many groups organized outreach programs aimed at those vulnerable to evictions, ensuring that tenants in the communities not only know their rights about housing court, evictions, and accessing rent arrears funds like ERAP and the Excluded Workers Fund, but also had hands-on assistance to access these and other resources.

As a result, the tenant associations we organize won rent strikes, held their landlords accountable for incorrect rent amounts and received the ERAP protections that they're entitled to in housing court. Through organizing, tenants are stopping evictions from moving forward in court and fighting to keep one another in their homes. Tenants connect their individual building experiences to the wider fight for housing justice. Through mass rallies and trips to Albany, tenant leaders connect with fellow members of the working class to fight for racial and economic justice and to build power for the tenant movement.

Despite all these efforts, tenants and communities still find themselves under attack. Safe, affordable housing continues to be threatened as we emerge from the pandemic. Courts have been overwhelmed with eviction cases since the moratorium was lifted and tenants struggle to pay rent. SNYC tenants grapple with predatory landlords who:

- 1. Use a variety of harassing tactics to displace tenants to flip buildings out of regulatory status in order to maximize profits over people.
- 2. Aggressively pursue eviction cases even where back rent has been paid by ERAP or where there are ERAP stays
- 3. Refuse to make repairs, forcing tenants to live in dangerous & unhealthy conditions
- 4. Warehousing vacant apartments, hoping to ultimately circumvent rent regulations

Our organizing across portfolios targets bad lenders as well. Predatory Equity would not exist without the highly speculative loans. Signature Bank, who is in the news today for unscrupulous banking practices, has been one of the more egregious multi-family lenders, having provided loans to Steve Croman, Raphael Toledano and <u>Ved Parkash</u>. Landlords who faced allegations of tenant harassment from the Stabilizing NYC tenants.

As we continue to face the ongoing challenges of the COVID-19 pandemic, rising housing costs, and more housing insecurity, it's more important than ever to prioritize care over cuts. Let's work together to ensure that all New Yorkers have access to safe, affordable, and healthy housing and public spaces.

Thank you for your attention and your commitment to our communities.

JOINT TESTIMONY FOR THE NEW YORK CITY COUNCIL, HOUSING AND BUILDINGS COMMITTEE, PRELIMINARY BUDGET HEARING BY LEGAL SERVICES PROVIDERS REGARDING FUNDING FOR LEGAL SERVICES FOR NEW YORK CITY TENANTS

March 11, 2024

BRONX DEFENDERS BROOKLYN LEGAL SERVICES CORPORATION A CAMBA LEGAL SERVICES CATHOLIC MIGRATION SERVICES GODDARD RIVERSIDE LAW PROJECT HOUSING CONSERVATION COORDINATORS JASA|LEGAL SERVICES FOR ELDER JUSTICE LEGAL SERVICES NYC MAKE THE ROAD NEW YORK MOBILIZATION FOR JUSTICE NEIGHBORHOOD ASSOCIATION FOR INTER-CULTURAL AFFAIRS NEIGHBORHOOD DEFENDER SERVICE OF HARLEM NEW YORK LEGAL ASSISTANCE GROUP NORTHERN MANHATTAN IMPROVEMENT CORPORATION RISEBORO LEGAL EMPOWERMENT AND ASSISTANCE PROGRAM TAKEROOT JUSTICE THE LEGAL AID SOCIETY

I. INTRODUCTION

Thank you to the City Council's Housing and Building Committee for the opportunity to testify about the crucial need to improve the City's Right to Counsel (RTC) and Anti-Harassment Tenant Protection (AHTP) programs to best serve our communities by preventing evictions and preserving safe, affordable and dignified housing.

In 2017, NYC became the first locality in the United States to enact a RTC law ensuring access to free legal services for any residential tenant facing an eviction proceeding in court. This local law requires the City's Office of Civil Justice (OCJ) to establish a program that provides access to free legal services – either full legal representation or brief legal assistance, depending on the annual household income of the tenant litigant – to all tenant respondents facing eviction in New York City Housing Court.

AHTP was established in 2015 and is a program to provide eligible tenants access to free legal assistance and representation through a combination of advocacy, affirmative litigation, and

where necessary, eviction defense. The goals of the program are to avert housing abandonment, prevent tenant displacement, improve, preserve and expand the amount & quality of affordable housing for low-income New Yorkers.

The City's investment in these two programs exemplifies how crucial it is to provide these services for tenants. However, we are in a moment when contracting and funding issues for both RTC and AHTP must be addressed for the sustainability of the programs and thus we call on the City to extend the contracts and provide sufficient funding.

II. THE CITY MUST ISSUE IMMEDIATE CONTRACT EXTENSIONS FOR FY 25

It is critical for continuity of services to NYC tenants and for stability to our organizations that the City issue immediate contract extensions for fiscal year 2025. The RTC and AHTP providers are currently funded by the City for \$136 million and \$43 million, respectively. Our current contracts are set to expire on June 30, 2024.

While responses to the Requests for Proposals (called "RFXs" in these instances) for continued funding for these programs were due by December 1, 2023, no decisions have yet been announced. Although we understand that it takes time for the City to make these important decisions, NYC tenants and providers urgently need to have contracts in place to continue providing services and/or make any needed changes to our programs to conform to the results of the RFXs. Without a registered contract, the City is not able to pay providers for the work they complete, revenue that we rely on to meet payroll, and make rent and other essential payments.

Through our long, collective histories of providing legal services contracted by the City, we know that we need no less than 6 months of lead time from an announced change to reasonably implement the necessary programmatic and financial changes. This is especially true where we are talking about contracts of \$179 million where over a thousand jobs are at stake across our programs. If we need to hire more staff to perform on these contracts, rent additional space and/or buy more equipment, that takes time. If we need to shrink or redistribute staff, give up office space and/or sell off or redistribute equipment, that also takes time and requires advance notice.

Moreover, the terms of these contracts have historically involved complicated and extended negotiations. So, even if the City made announcements and started talking to providers about the particulars of the contracts, that negotiation process takes time. For example, when these contracts were renewed last year under a Negotiated Acquisition Agreement process that alone took over 3 months to complete.

In addition, because our agencies do not have certainty whether a large portion of our funding will continue beyond June 30, 2024 (for many of us this funding comprises more than half of our overall budgets), some providers are in the position of looking at whether we need to issue WARN notices of potential layoffs to our staff. No provider wants to issue any such notice or be in the position of having to even consider laying off staff, especially in these programs where we have struggled to recruit and retain the dedicated staff doing this crucial work.

In addition to concerns for our own organizations and staff, NYC tenants deserve better. They need to know that the providers who are working with their buildings in protracted fights to challenge harassing landlord behavior and restore essential services will be able to continue those services beyond June of this year. Tenants facing eviction in housing court need to know that the providers will keep showing up to accept their cases.

The only way to ensure all this can happen at this late stage is for the City to work now with the provider community to enter into contract extensions for FY 25. That extension process needs to begin immediately to be completed before the end of June. We reached out to the City through the Office of Civil Justice about this request last week. We ask for your support for that request. It should be noted that the additional \$20 million this Council fought to have included in the Right to Counsel program last year and to be baselined should continue to be included without additional deliverables so that it can help to reduce the huge gap between what the RTC contracts pay and what the work costs providers.

III. <u>INCREASED FUNDING</u>

(a) The City Needs to Provide Sufficient Funding for Every Tenant Eligible for RTC.

On August 3, 2023, the City published the Anti-Eviction Full Legal Representation RFx with anticipated funding of \$136 million per year for fiscal years 2025 through 2027. This funding was to provide full legal representations on 44,444 cases per year at a de facto case rate of \$3,063 per case (discussed below). However, 44,0000 cases would only cover 56% of the estimated 79,033 tenants who will need those services each year (while severely underfunding the cost of providing adequate services as discussed below) – the antithesis of the intent of the Right to Counsel Law. The RTC law was enacted to ensure that eligible tenants have counsel in eviction and NYCHA termination proceedings. Since the City Council passed the landmark legislation in 2017, this law has been critical in keeping thousands of low-income tenants, often tenants of color, in their homes. RTC has resulted in a dramatic decrease in the number of families and individuals entering shelter because of evictions, thus sparing families the trauma of eviction and saving the city enormous shelter expenses. The City is severely under-resourcing a

program that it admits is successful; in 75 percent of cases where a tenant was represented by counsel in FY 2023, the tenant remained housed.¹

(b) The City Should Fund the True Cost of Providing Anti-Eviction Services.

The RFx issued by the City for anti-eviction work also failed to adequately fund the true cost of providing these services which has grown exponentially since the program's inception.² Rather than meet the \$7,500 per case necessary to run an effective program, the City proposed to pay a woefully inadequate \$3,063 per case.³

In response to questions we received about the cost to fully implement Right to Counsel, last year providers estimated that an additional \$351 million in funding per year was needed. The City allocated an additional \$20 million to the program last year. While these additional funds were a portion of what was needed, the need has since grown with the additional eligibility of all seniors regardless of income, increased operational costs such as higher rent and healthcare costs, the publication of caseload standards, the acknowledgment that we must achieve pay parity to recruit and retain staff and updated data on eviction filings. Therefore, the providers believe the need for funding is significantly higher than one year ago.

The City's proposed case rate of \$3,063 is less than half of what is needed. Data collected by legal services providers shows that an eviction case costs on average \$7,500⁴ to defend including properly staffing the work with attorneys, sufficient paralegals, and social workers; pay parity; and caseloads of 41 cases per attorney in line with what was identified by the Office of Court

https://www.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ_UA_Annual_Report_2022.pdf (accessed 1/24/24)

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¹ OCJ 2022 Annual Report available at:

² The legal service providers have seen a 24% increase in how many hours it takes to resolve a case since 2018. The staff attrition that continues to be a challenge and the need to hire large numbers of inexperienced law graduates each year means that many hours are spent on training. At the same time, providers are grappling with growing expenses including rent increases on our existing spaces and rising healthcare, salary, and pension costs.

³ After protest from the provider community, the City removed the case rate. However, rather than issue a case rate that matched the true cost of preventing evictions, the City told providers to propose their own cost rate. Yet, the RFx still proposed to use \$136 million per year to fund roughly 44,000 eviction cases per year. In other words, the RFx still proposed to pay providers approximately \$3,063 per case.

⁴ The \$7,500 is a weighted average cost per case that includes pay parity, appropriate staffing and attorneys handling 41 cases each year. It is based on data pooled from the legal service providers caseloads which was calculated in July 2023 for the Permanent Commission.

Administration.⁵ Based on the average cost per case, the increased cost of the program is closer to \$457 million – \$7,500 per case for 79,033 cases less the current funding of \$136 million. It is clear that the City needs to allocate a sizable amount for FY 25 and then more over time so legal service providers have a realistic chance to hire staff and budget for other logistical and administrative costs associated with expansion.

The insufficient funding provided by the City have forced the provider community to limit staffing needed for holistic representation (including lawyers, social workers, paralegals, process servers and administrative support necessary to manage a fully implemented RTC program), and to forgo filling the need for physical space and operational support like finance, grant management, and information technology (IT). The RFx has failed to provide enough funding for even the number of attorneys needed to handle the considerable volume of cases, let alone for the other staffing and infrastructure necessary for a successful RTC program. Without additional funding, the program will continue to have the challenges that it presently is dealing with.

(c) Full implementation of the RTC Program Will Require More Time to Achieve

Although the RTC program claims to be fully implemented, there are numerous reasons why that is inaccurate and currently impossible. Even if the RTC program were to receive the influx in funding that it needs to adequately cover the full universe of eligible cases, legal service providers need more time to build pipelines to aid in recruitment of staff as well to develop staff and supervisors to be able to achieve the staffing levels needed to handle the volume of cases.

Eviction defense proceedings are complex and require significant time to resolve. New York City has some of the most robust and complicated housing laws in the country. Important laws, such as the Housing Stability and Tenant Protection Act of 2019 and the recent amendments to the Rent Laws, have increased critical tenant protections while also adding to the complexities of tenant defense. To meet client needs for holistic, quality representation, provider organizations must staff programs with paralegals, social workers, administrative staff, and infrastructure supports such as finance and IT, in addition to housing attorneys. It takes time to build this infrastructure and, as is explored more in the next section, pay parity to retain dedicated staff to further sustain the program.

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⁵ Considering all the changes that have occurred since the RTC law was first passed, a new study was conducted by the New York State Office of Court Administration (OCA). The Universal Access to Justice Caseload Working Group Report and Recommendations of the New York State Office of Court Administration dated August 31, 2023 (OCA Caseload Report) concluded that given the complexity and pace of eviction proceedings, a full time, experienced UA/RTC attorney can provide representation on approximately 48 full legal representation cases per year* when they are assigned no tasks besides handling those cases. When factoring in the large number of new attorneys that each organization needs to hire and train each year, the effects of high staff attrition and other attorney responsibilities such as handling program intake and attending and providing training, the average number of cases per attorney is closer to 41 cases per year. This maximum caseload must be factored into the determination of needed staffing and therefore cost of the program.

(d) Funding Fairness and Pay Parity is Needed to Attract and Retain Necessary Staff

In New York State, poverty rates have surpassed the national average for over a decade with 13.9% of New Yorkers living in poverty (compared to 12.8% of all Americans).⁶ The New York State Unified Court System created the Permanent Commission on Access to Justice ("the Permanent Commission") in 2010 with the mission to expand access to civil legal services and improve access to justice for New Yorkers. The Permanent Commission holds annual statewide hearings to assess the unmet needs for legal representation in civil legal proceedings involving fundamental human needs, and it assists the Chief Judge in developing a report and recommendations to the New York State Legislature and the Executive about the level of public resources necessary to meet those needs.⁷ In its 2023 Annual Report, the Permanent Commission noted that "while no other state comes close to New York's commitment [to close the justice gap]...New York's commitment falls far short of any conceivable measure of need."⁸

According to a recent report⁹ by the American Bar Association (ABA), there are approximately seven civil legal aid attorneys in New York State per 10,000 residents in poverty.¹⁰ We know from the Permanent Commission's report and the Legal Services Corporation's 2022 report, "The Justice Gap: The Unmet Civil Legal Needs of Low-Income Americans,"¹¹ that 74% of low-income households experience at least one (often more) civil legal problem annually. This equates to a ratio of about one civil legal services attorney per 1,057 New Yorkers living in poverty with civil legal needs related to the essentials of life – making it currently impossible to close the justice gap in New York.

One glaring reason for the shortage of civil legal services attorneys is the wage gap. Our organizations have struggled to keep pace with exponentially increasing client needs despite almost exclusively flat funding. To better understand the scope of the problem, a State Coalition of which include many of the legal service providers making this joint testimony, conducted a survey of civil legal service providers across the state. Preliminary data indicates that civil legal

⁶ Office of the NYS Comptroller, New Yorkers in Need: A Look at Poverty Trends in NYS for the Last Decade, December 2022, available at

https://www.osc.ny.gov/reports/new-yorkers-need-look-poverty-trends-new-york-state-last-decade (last accessed March 8, 2024).

⁷ NYCourts.gov, Permanent Commission on Access to Justice: https://ww2.nycourts.gov/accesstojusticecommission/index.shtml (last accessed March 8, 2024).

⁸ NYS Unified Court System, Permanent Commission on Access to Justice, Report to the Chief Judge of the State of New York, November 2023, available at https://www2.nycourts.gov/accesstojusticecommission/annual.shtml (last accessed March 8, 2024).

⁹ American Bar Association, Profile of the Legal Profession, 2023, available at https://www.americanbar.org/content/dam/aba/administrative/news/2023/potlp-2023.pdf (last accessed March 8, 2024).

¹⁰ *Id*. at 7.

¹¹ "The Unmet Need for Legal Aid," Legal Services Corporation https://www.lsc.gov/about-lsc/what-legal-aid/unmet-need-legal-aid (last accessed March 8, 2024).

services attorneys earn approximately 20-75% less than their counterparts working directly for the government.

For example, in New York City, the average salary for a first-year civil legal services attorney is \$69,000. In contrast, the starting salary for an attorney at the Office of the Attorney General's (OAG) office in NYC is \$90,000. The contrast is even starker in the rest of the state, where OAG attorneys earn at least \$87,000 to start, while the highest starting salary for a legal services attorney outside of NYC or the Hudson Valley is approximately \$59,000. The disparity in pay only increases over time. An upstate attorney with 10-years experience working for the OAG is paid an annual salary of \$131,000. The same attorney being paid by the government under a legal services contract would earn approximately \$74,000.

This extreme pay disparity impacts vital services for those who need them the most. Legal services organizations cannot compete in the present market for legal talent. Our organizations lose much of their top talent to municipal and state government employers, who also offer competitive health and retirement benefits packages as well as access to public interest loan forgiveness. Legal service attorney positions remain open for months with no qualified applicants willing to accept what we are able to offer. As a result, organizations are not able to meet the needs of local litigants and community members are left to navigate the courts without the benefit of legal assistance.

(e) Sufficient Funding Also Needed for AHTP

The need for increased funding for AHTP mirrors those outlined for RTC as our legal services providers face the same increased costs and need for funding fairness.

While the present economic realities make AHTP work critical, funding has not kept up with the salary needs for our staff and rising costs of rent, insurance premiums, office materials, etc. The contract is not structured to cover yearly increased costs including cost of living adjustment (COLA) and this needs to be remedied so that the contract includes annual COLA increases as well as funding upfront to make up for the years without any such increases. These increases are pivotal for us to be able to continue to hire and retain the staff necessary to perform high-quality, impactful work.

(e) The RFx Includes a Draconian 10% Penalty that Further Undermines Providers' Ability to Provide Effective Right to Counsel Services

The RFx contains a new penalty for providers who cannot meet 100% of contract goals; such providers are ineligible to receive 10% of the allocated funding and OCJ may modify funding to those providers in future years. In the context of a deeply underfunded contract and an economy where staff hiring and retention are difficult, meeting 100% of the contract goals is unrealistic

unless providers can obtain and contribute vast additional resources to subsidize the work. This penalty adds further pressure on providers to fill the funding gap that the City has failed to acknowledge or remedy. The uncertainty of this 10% funding also makes it impossible for organizations to do the necessary planning for and investment in staff hiring and retention as well as to combat and plan for attrition.

IV. CONTRACTING CHALLENGES LEADING TO CASH FLOW CRISIS

In addition to chronic underfunding, contract delays and burdens threaten our ability to provide high-quality advocacy for our clients, retain staff, and respond to the ever-increasing need in the community. Simply put, the City's system of contracting with nonprofit legal service providers is broken. But it can be fixed. To ensure New Yorkers have access to the services they deserve, systemic changes in contracting processes are needed. This includes setting new protocols to ensure timely registration of contracts and prompt payments and expeditiously issuing RFPs when previous contract terms approach expiration and/or initiating contract extensions to bridge an expiring contract term when necessary to avoid a lapse in services and wreaking havoc on providers.

The starting point for the contracting crisis is the City's request for proposals. Despite having ample notice of when a contract term is set to expire and years to prepare for the RFP process, the City routinely fails to issue RFPs in a timely manner. Without knowing whether our contracts will be renewed and for how long, how much funding will be allocated to our organization and for what services, we cannot effectively plan ahead. While the City can and does extend existing contracts through the NAE process, these extensions only last for a maximum of one year and do little to mitigate the problem. Furthermore, the City often delays the issuance of even the NAE adding to the uncertainty of the coming year and adding to the instability felt by providers soon approaching a potential loss of funding and staffing as a result.

Even once an award has been made, it can take months to get the new contract issued and registered creating further disruption, confusion, and uncertainty. Furthermore, even standard two-year renewals of existing contracts are often delayed and stretch far into the fiscal year, creating a gap in funding that we are either forced to try to fill using unrestricted dollars, reimbursements from other programs, and high-interest loans so we can make payroll. If we can't fill that gap, these delays amount to a covert cut in funding because providers have to leave money on the table because they cannot front funding in anticipation of City disbursements.

While these delays are common when it comes to the RFP and baselined contract process, they are endemic when it comes to contract amendments. Because of the delay in contracting and the lack of flexibility within the reimbursement contract structure, each of our core contracts is funded by a series of amendments that must be separately registered and invoiced. The amendments which are intended to increase investments to the organizations serving low-income

New Yorkers, have in reality been nothing more than empty promises. The recently introduced "allowance clause" was intended to alleviate the delays caused by multiple amendments. Our contracts had to be amended to include the allowance clause over the past year, which not surprisingly was a delayed process. The allowance clause for FY24 was limited to 25% which proved insufficient for some contracted providers when increases from sources such as Indirect Cost Rate Initiative (ICR, which alone can be over 25%), Workforce Enhancement Initiative (WEI), and other additional funding exceeded the cap and therefore has triggered the need for further amendments despite the allowance clause.

The challenges with the current City contracting procurement, registration, and payment system are not limited to delays, but extend to the technical systems, extensive and detailed invoicing requirements, and unreasonable demands by the City. The recent migration to Passport for all contract invoicing has delayed payments on registered contracts for many grantees adding to cash flow pressures.

Final registration of our contracts – months and years after the work has been completed – does not end the difficulties with receipt of payment. Indeed, it merely sets the stage for the next layer of challenges. The invoicing process is extremely onerous and requires record keeping and reporting that our current finance teams are stretched incredibly thin to meet. The requirements of the reimbursement-based budgeting process mean that our finance teams must allocate and prepare documentation of expenses to contracts that are not registered, sometimes for multiple years. Once registered, budget modifications often can then take weeks or months to receive approval. In the time that a budget modification is pending, no invoicing can be done on that grant, further delaying the cash we need to meet payroll and make rent and other necessary payments.

We have and will continue to offer recommendations to address contracting delays, Passport problems, and invoicing issues. Examples of these recommendations include:

- a. Accountability in the form of timeframes for each step of the contracting and procurement process. While some exist already, such as the Comptroller having 30 days, it is not enough.
- b. Streamline the Bridge Loans from the renewable grant fund; and
- c. Require the City to cover the interest incurred on a loan or a line of credit used to bridge a City contract, including ICR.
- d. Reduce annual contract registration document requirements for renewals.
- e. Increase the allowance to at least 50%.
- f. Provide advances of 50% instead of 25% to help address delays in the invoicing process.
- g. Provide advances of 50% of the ICR initiative amount based on prior year's indirect cost rate.

V. <u>CONCLUSION</u>

Fully funding the RTC program and addressing contracting challenges are parts of the solution to the housing affordability crisis plaguing this City. Keeping low-income people in their homes is essential not only for their individual well-being, but also as a bulwark against the loss of affordable rents in the housing market. When a low-income tenant is evicted, their apartment will not be rented again to another low-income tenant; instead, the rent will likely be raised, and that unit will become unaffordable. Thus, as we move through the many stages of this housing and health crisis, we remain on the frontline of efforts to ensure that the needs of New York's marginalized communities are met. We will continue to make the case for justice and equity. As our clients undergo this unparalleled crisis, we stand right there beside them. On behalf of The Bronx Defenders, Brooklyn Legal Services Corporation A, CAMBA Legal Services, Housing Conservation Coordinators, Legal Services NYC, Mobilization for Justice, Neighborhood Association for Inter-Cultural Affairs, Neighborhood Defender Services, New York Legal Empowerment and Assistance Program, TakeRoot Justice and The Legal Aid Society, we thank you for your continued support, and for allowing us to testify today.

To learn more about RTC and AHTP and the issues discussed in the testimony, we invite you to read Concept Papers about them authored by the Legal Services Providers which are found at https://drive.google.com/file/d/1Xqzy2cmWfKbn6mGVzQ56Zmok246DTGO0/view?usp=sharing (RTC) and

https://drive.google.com/file/d/1hfaX8N12LRWWEvyfWwi9uQjQSl32fIhr/view?usp=sharing (AHTP).

LEGAL SERVICES PROVIDERS

THE BRONX DEFENDERS

The Bronx Defenders ("BxD") is a public defender non-profit that is radically transforming how people in the Bronx are represented in the legal system, and, in doing so, is transforming the system itself. Our office's staff of over 450 includes interdisciplinary teams comprised of civil, criminal, immigration, and family defense attorneys, as well as social workers, benefits specialists, legal advocates, parent advocates, investigators, team administrators, and policy, organizing, and community engagement specialists who collaborate to provide holistic advocacy to address the causes and consequences of legal system involvement and push for systemic reform at the local, state, and national level.

Through this integrated, comprehensive, referral-based structure, we have pioneered a groundbreaking, nationally-recognized model of direct services representation we call "holistic defense" that achieves transformative outcomes for the people we represent. Each year, we defend over 20,000 low-income Bronx residents across civil, criminal, immigration, and family legal systems, and reach thousands more through our community intake, youth mentoring, and outreach programs. We take what we learn from the people we represent and communities that we work with and launch innovative programs designed to bring about real and lasting change.

Our Civil Action Practice

The Civil Action Practice provides comprehensive civil legal services to clients and their families by integrating civil representation. Our goal is to actualize the civil right to counsel – including for tenants – and minimize the severe and often unforeseen fallout from housing, criminal, family, and immigration court proceedings and facilitate the seamless reintegration of our clients into the community. Our Civil Action Practice attorneys, social workers and benefits & legal advocates represent clients in every forum in New York City – administrative, state, and federal – to address these problems and assist our clients in overcoming civil legal barriers to housing, eviction, employment, and public benefits, as well as addressing instances of police misconduct, criminal record errors, and civil forfeiture.

BROOKLYN LEGAL SERVICES CORPORATION A

Brooklyn Legal Services Corporation A (Brooklyn A) believes all New Yorkers should have equal access to legal services to seek justice, make their voices heard, and overcome systemic racism and oppression. We represent low- and moderate-income individuals and families throughout New York City. Our clients live in rapidly-gentrifying neighborhoods where many residents and small business owners have been displaced or are facing displacement and harassment. For over half a century, Brooklyn A has provided high-quality, low-barrier neighborhood-based legal services to individuals, families, nonprofit community-based organizations, community development corporations, coalitions, and small business owners, interested in developing and sustaining vibrant, healthy communities. Our Preserving Affordable Housing (PAH) Program uses legal and advocacy strategies to preserve and protect affordable housing, prevent evictions, combat tenant harassment and discrimination, and ensure that working families, individuals, older adults, and others live in stable environments and within their financial means. Brooklyn A's PAH Program has 39 staff attorneys, paralegals, social workers, and supervising attorneys, in addition to other supporting staff.

CAMBA LEGAL SERVICES

CAMBA Legal Services, Inc. (CLS) is a community-based law practice in Brooklyn and Staten Island that provides free civil legal assistance to low-income New York City residents. Our mission as a dedicated and diverse staff of lawyers and paralegals is to provide our clients with the highest quality of legal representation while standing committed with our communities in the fight for racial, social, and economic justice. CAMBA Legal Services' Housing Unit provides anti-eviction legal services to tenants, including legal advice and representation in non-payment proceedings, holdovers, HP actions for repairs, HCR overcharge complaints, administrative hearings (NYCHA and HPD), Article 78s and other related proceedings. The CLS Housing Unit has a staff of more than 56 attorneys and paralegals. CLS prides itself on being guided by the following principles; compassionate case handling, decentering the attorney to empower the client, tenacious advocacy, collaborative learning, and a commitment to legal excellence.

JASA\LEGALSERVICES FOR ELDER JUSTICE

JASA's Legal Services for Elder Justice (JASA|LSEJ) was established in 1981 to provide civil legal services to low income and at-risk older adults in fulfillment of JASA's mission of assisting older adults remain in their homes and communities. JASA|LSEJ provides a wide variety of legal assistance in the areas of evictions, foreclosures and real property fraud; SSI and Social Security; healthcare, income and benefits; consumer debt; and elder abuse. JASA|LSEJ is committed to providing the highest quality legal services and identifying innovative ways to better serve older individuals and the communities in which they live. JASA|LSEJ provides services throughout Queens and in North Brooklyn to about 2000 older adults annually using multiple approaches to assist older adults including direct legal representation, legal advocacy, impact litigation, innovative and multidisciplinary programs, community and professional education and outreach.

HOUSING CONSERVATION COORDINATORS

Housing Conservation Coordinators (HCC) is dedicated to advancing social and economic justice and fighting for the rights of poor, low-income, and working individuals and families. With a primary focus on strengthening and preserving affordable housing, we seek to promote a vibrant and diverse community with the power to shape its own future. Since its founding in 1972, HCC has been devoted to preserving the character and diversity of the Hell's Kitchen Community and guaranteeing that high quality affordable housing remains in the neighborhood. Each year the organization helps more than 4,000 individuals and families by preventing evictions, educating them about their rights, and weatherizing their buildings.

Since the implementation of Right to Counsel (RTC) in 2017, HCC has been an RTC provider in Manhattan's Housing Court, ensuring that tenants have competent and zealous representation as well as support from advocates and a social worker in eviction proceedings.

LEGAL SERVICES NYC

Legal Services NYC (LSNYC) fights poverty and seeks racial, social, and economic justice for low-income New Yorkers. LSNYC is the largest civil legal services provider in the country, with an over 50-year history and deep roots in all of the communities we serve. Our staff of nearly 700 assists more than 110,000 low-income New Yorkers each year. LSNYC's housing practice, along with other legal services organizations in the City, is at the forefront of the fight to prevent evictions, preserve affordable housing, and uphold tenants' rights. Legal Services NYC is also a proud member of the Right to Counsel NYC Coalition, a tenant- and organizer-led coalition of tenant organizing, advocacy and legal services organizations, which fought for the right to counsel for NYC tenants facing eviction and which is working to ensure just implementation of the right to counsel law.

MOBILIZATION FOR JUSTICE

Mobilization for Justice's (MFJ) mission is to achieve justice for all. MFJ prioritizes the needs of people who are low-income, disenfranchised, or have disabilities as they struggle to overcome the effects of social injustice and systemic racism. We provide the highest-quality free, direct civil legal assistance, conduct community education and build partnerships, engage in policy advocacy, and bring impact litigation. MFJ has a staff of more than 165 attorneys, paralegals, social workers, and support staff. It is a diverse, unionized, and collegial workplace where staff share the organization's mission to achieve social justice.

MFJ's housing practice is honored to engage in RTC/Universal Access work in the Bronx and Manhattan, where we deploy a wide array of litigation and advocacy strategies to prevent eviction and to protect tenants' rights.

NEIGHBORHOOD ASSOCIATION FOR INTER-CULTURAL AFFAIRS

The Neighborhood Association for Inter-Cultural Affairs, Inc. (NAICA) is a not-for-profit corporation that has been providing housing intervention and assistance services to residents of

the Bronx since its establishment in 1974. NAICA's mission is to provide culturally and linguistically client-centered housing, legal, and social support services that promote self-efficacy and quality of life improvements for individuals and families in New York. Our core methods of service include affordable housing development, housing management, free legal assistance, homelessness prevention, case management, community education, and community development.

NEW YORK LEGAL ASSISTANCE GROUP

New York Legal Assistance Group (NYLAG) uses the power of the law to help New Yorkers experiencing poverty or in crisis combat economic, racial, and social injustice. We address emerging and urgent needs with comprehensive, free civil legal services, financial empowerment, impact litigation, policy advocacy, and community partnerships. We aim to disrupt systemic racism by serving clients whose legal and financial crises are often rooted in racial inequality. Our Tenants' Rights Unit (TRU) fights for housing justice: fair, safe, and affordable housing for adults and families so that they can stay in their communities and thrive.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION

Northern Manhattan Improvement Corporation (NMIC) is a community-based settlement house founded in 1979 which has grown into a leading multi-service agency with a staff of over 120 employees. Available to all of New York City, our core catchment area is Upper Manhattan and the Bronx. Our mission is to serve as a catalyst for positive change in the lives of the people in our community on their paths to secure and prosperous futures. We serve about 14,000 clients each year with a variety of programs to address Housing, Immigration, Education/Career, Finance/Benefits, Health, and Holistic needs. We provide crisis intervention with legal or social services as a part of our legal, organizing, and advocacy initiatives. NMIC is ideally situated with offices in Upper Manhattan and the Bronx, where the large immigrant and mostly Spanish speaking populations in these communities can easily access the broad range of services available. NMIC has advocated for the housing rights of its community since its founding almost 45 years ago, and has represented tenants in housing court for decades. NMIC has been a RTC provider since the program's inception.

RISEBORO

RiseBoro Legal Empowerment and Assistance Program (LEAP) began as Ridgewood Bushwick Senior Citizen Counsel 50 years ago. From its beginnings the goal has always been to keep New Yorkers and especially Brooklynites in their homes in Bushwick and Queens. As the organization has grown, a number of other programs have been added or expanded. LEAP is one of those programs. LEAP takes a holistic approach in assisting our clients and works closely with our Homebase(s) in seeking resources, financial and otherwise, to find solutions for our clients.

Our vision and mission is to provide legal services and community empowerment to vulnerable Brooklynites. LEAP assists tenants in gaining access to justice with dignity by preventing evictions and preserving thousands of housing units. Our dedicated staff consisting of community organizers, paralegals, legal service navigators, managers, administrators, and attorneys are committed to providing low-income Brooklynites with high quality legal representation, with a core aspect of our holistic approach to legal representation focused on addressing the underlying economic issues that bring our clients into contact with the legal system.

NEIGHBORHOOD DEFENDER SERVICE OF HARLEM

Neighborhood Defender Service of Harlem (NDS) is a community-based public defender office that provides high-quality legal services to residents of Northern Manhattan and a member of the LEAP coalition. Since 1990, NDS has been working to improve the quality and depth of criminal and civil defense representation for those unable to afford an attorney through holistic, cross-practice representation. With the early implementation of Right to Counsel in key Northern Manhattan zip codes, NDS joined the Right to Counsel Coalition and began serving the community through the Right to Counsel Program. As a holistic public defender office, NDS is particularly familiar with the collateral consequences of homelessness, including an increased chance of entering the criminal legal system.

TAKEROOT JUSTICE

TakeRoot Justice (TRJ) provides legal, participatory research and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic and social oppression. TakeRoot Justice employs a unique model of partnership with grassroots and community-based groups.

Our organization prioritizes working collectively with our community partners and allies through coalitions. TRJ is the lead coordinating organization for the LEAP Coalition's work under the

City's Anti-Harassment Tenant Protection (AHTP) program, both ensuring successful administration of work and providing direct services to individuals and groups of tenants.

THE LEGAL AID SOCIETY

The Legal Aid Society (LAS), the nation's oldest and largest not-for-profit legal services organization, was founded in 1876 to provide free legal representation to marginalized New York City families and individuals. The Legal Aid Society's legal program operates three major practices — Civil, Criminal, and Juvenile Rights — and through a network of borough, neighborhood, and courthouse offices provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel. With a caseload of nearly 200,000 cases and legal matters for clients, The Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States.

Our Civil Practice works to improve the lives of low-income New Yorkers by helping vulnerable families and individuals to obtain and maintain the basic necessities of life - housing, health care, food and self-sufficiency. We serve as a "one-stop" legal resource for clients with a broad variety of legal problems, ranging, among others, from government benefits and access to health care, to immigration and domestic violence. Our depth and breadth of experience is unmatched in the legal profession and gives LAS a unique capacity to go beyond any one individual case to create more equitable outcomes for individuals, and broader, more powerful systemic change at a societal level.

Our work has always taken an explicit racial and social equity lens and the current housing crisis has further focused our efforts to advocate for the needs of New York's marginalized communities.

TAKEROOT JUSTICE

Testimony to the NYC City Council

Committee on Housing and Buildings

Preliminary Budget Hearing for FY25

March 11, 2024

Good afternoon, Committee Chair Sanchez and members of the Committee, and thank you for the opportunity to testify. My name is Paula Segal, and I am speaking today as Staff Attorney in the Equitable Neighborhoods practice of TakeRoot Justice. TakeRoot works with grassroots groups, neighborhood organizations and community coalitions to help make sure that people of color, immigrants, and other low-income residents who have built our city are not pushed out in the name of "progress."

My testimony today will be focused on the Community Land Trust (CLT) Initiative, support for public housing and the redesign of our municipal debt collection system to support housing and neighborhood stability. My colleague Colin Kent-Daggett is also providing testimony to this committee with a focus on the Stabilizing NYC initiative and TakeRoot's work in support of tenants in privately-owned housing.

TakeRoot is a member of the New York City Community Land Initiative (NYCCLI), an alliance of grassroots, affordable housing, environmental and economic justice organizations working to promote community land trusts (CLTs) and neighborhood-led development.

TakeRoot has received City Council discretionary funding through the citywide Community Land Trust Initiative since it launched in FY20. We at TakeRoot support this growing CLT movement for affordable community-controlled housing, commercial and community spaces through legal services to CLT members of the initiative and other groups exploring the CLT model. We provide everything from education on governance and incorporation, to transactional legal services in support of negotiating ground leases and joint venture agreements.

We thank the City Council for its vital support and urge you to increase funding for the Citywide CLT Initiative to \$3 million in the FY2025 budget. With this enhancement, the CLT initiative will support 21 organizations—including new CLTs in Ravenswood and Edgemere, Queens, and Flatbush, Brooklyn—and expand citywide education, organizing, and technical assistance to meet the growing and urgent need for CLTs. (See attached one-pager.)

New York's CLT movement is squarely focused on addressing our city's deepening affordability crisis and advancing racial equity in housing and land use and making great strides:



half of the initiative members now steward or are in the process of acquiring land for tenant and community-controlled housing, community and commercial spaces, an incredible outcome from merely four years of investment.

By giving communities shared ownership and control over land, CLTs serve as a bulwark against real estate speculation and displacement. CLTs also maintain affordability over generations – protecting public investment that would otherwise be lost over time. The Cooper Square CLT on Manhattan's Lower East Side, for example, has preserved hundreds of deeply affordable apartments and two dozen affordable storefronts for local small businesses since 1994, and expanded its portfolio by two rent stabilized buildings through the support of the Initiative. East Harlem El Barrio recently celebrated the rehabilitation of multifamily buildings it acquired from the city in 2020, creating permanently affordable mutual housing units. The East New York CLT closed on its first property, a 20-unit rental building, just last month. And the Mott Haven Port Morris Community Land Stewards won a bid to transform a long-abandoned city-owned property into a Health, Education and Arts (HEArts) Center serving their South Bronx community, while the Real Edgemere CLT is working on addressing resiliency in the face of climate vulnerability so that it can develop 119 lots that were similarly warehoused by the City. TakeRoot has supported each of these transformative efforts with legal services, and we stand by to continue to respond to the needs of a growing movement.

Capital Funding is Needed for CLTs to Successfully Reverse Decades of Disinvestment

In addition to supporting the CLT Initiative, we urge the City Council to ensure robust capital funding for the acquisition, rehabilitation and preservation of community controlled affordable housing. In particular, we urge the Council to demand \$2 billion over four years for permanently affordable housing, as outlined in the Homes Now Homes for Generations platform endorsed by dozens of community and affordable housing groups, as well as the NYC Progressive Caucus, NYC Comptroller Brad Lander NYC, and Public Advocate Jumaane Williams. This funding would help CLTs and other mission-driven nonprofits acquire and rehabilitate properties—particularly struggling rent stabilized buildings—and construct new housing, by revitalizing and expanding the city's Neighborhood Pillars and Open Door programs. We look forward to working with you to secure this urgently needed funding and ensure that HPD prioritizes funding for CLTs and other nonprofits that create deeply and permanently affordable homes.

Invest in Public Housing

While building new permanently affordable housing and taking land off the speculative market is critical to addressing our affordable housing crisis, we cannot ignore the deteriorating conditions of our public housing stock. NYCHA residents continue to live in inhumane conditions. Residents often go without heat, hot water, or critical repairs that are essential for health and safety. We stand in solidarity with public housing residents and several groups across the city and call on the City to dedicate \$3.22 billion in this year's budget to NYCHA for as capital funding for critical repairs and infrastructure upgrades.

In addition, we echo the request of The Residents to Preserve Public Housing to have additional \$1.4 billion allocated to NYCHA's expense budget to (1) \$225 million per year to



support training by newly-created department within NYCHA and grants for startup costs for individual **Resident Management Corporations**, (2) \$300 million to add staff to the **Capital Projects Division** to facilitate clearing repair backlog and spending capital funds, (3) \$700 million to add staff to the **Emergency Repair Program**, and (4) \$175 million for **annual inspections** of all NYCHA properties (including any properties transitioned to Section 8 via RAD/PACT or the Preservation Trust).

Fund Enforcement of Municipal Arrears that Stabilizes Communities

Finally, we want to remind you that the majority of this Council has committed not authorize the lien sale as a strategy to offload municipal arrears from the City's property owners. As you know, the lien sale eliminates the City's leverage over slumlord and other property owners who do not pay their City bills while exposing BIPOC communities to speculation, deed theft and displacement. Having no enforcement mechanism at all, as the City has since the last sale in 2021, is not a solution.

In FY25, the Department of Finance must have additional resources to develop a program that incentivizes timely payments, supports owner occupants with access to exemptions and payment deferrals, allows owners who simply cannot pay to resolve their debt in a manner that increases the City's supply of affordable housing, and creates a pathway towards secure affordable housing for the thousands of tenants living in buildings where their landlords skirt their obligations to both them and the City. TakeRoot and the rest of the Abolish the Tax Lien Sale Coalition look forward to being a resource as the Department and the Council put a new system in place this year. We thank Council Members Sanchez and Sandy Nurse for their leadership, and the staff of the Committee on Finance for their diligence.

Contact:

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¹ The Committee can find a detailed framework developed by the Abolish the Tax Lien Sale coalition, with insight from the housing preservation and development sector as well as many Council members here: https://www.eastnewyorkclt.org/wp-content/uploads/2023/02/Leaving-the-Speculators-in-the-Rear-View-Mirror Feb-2-2023-2.pdf.

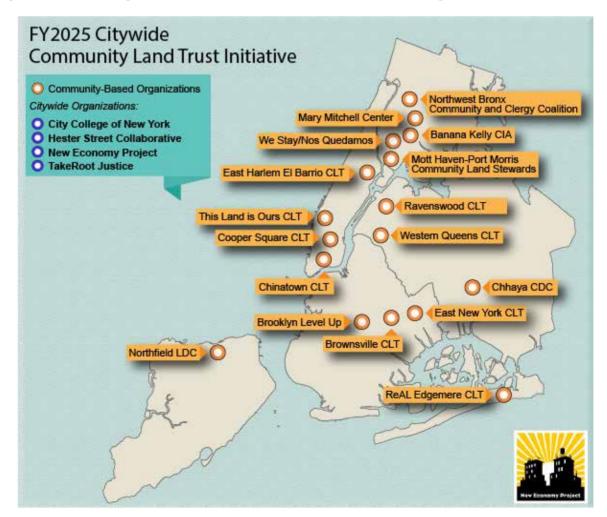


Community Land Trust Initiative

FY2025 Discretionary Funding Request

The **citywide Community Land Trust Initiative** requests **\$3 million** in FY2025 City Council discretionary funding to support 21 organizations working to develop community land trusts (CLTs) and permanently-affordable housing, commercial and community spaces. The CLT Initiative delivers in-depth education, organizing, and legal and technical assistance to support the formation and expansion of CLTs in low-income, Black and brown neighborhoods. By taking land and housing off the speculative market, CLTs combat displacement and address root causes of NYC's deepening affordability crisis.

Launched in FY2020, the CLT Initiative has catalyzed the growth of grassroots CLTs across the five boroughs; organized and educated thousands of New Yorkers; and brought land and housing into permanently affordable community control. Nine CLTs now steward or are in active stages of acquiring property for deeply affordable housing and other needs.



Enhanced funding of \$3 million in FY2025 is needed to meet the growing demand for CLTs. This year, the CLT initiative will:

- Support 17 grassroots CLTs including 3 new CLTs in Brooklyn and Queens, and 9 CLTs stewarding land and housing – and expand organizing and technical assistance citywide.
- Provide 65 technical assistance engagements to CLTs on matters such as incorporation, bylaws, property acquisition, developer partnerships, and financing.
- Conduct 200+ organizing, education, and planning sessions in multiple languages for tenants, homeowners, small businesses, and other community members.
- Train 100 CLT leaders and residents on community and tenant governance, and produce popular education material to support intergenerational organizing

The CLT Initiative is urgently needed to stabilize neighborhoods and keep New Yorkers safely housed. With Initiative support, CLTs will create and preserve thousands of permanently affordable homes – including rental, shared equity, and supportive housing. CLTs also will develop community and cultural spaces, affordable storefronts for small and worker-owned businesses, community solar projects, and other infrastructure.

CLTs preserve public investment and affordability over generations. Manhattan's <u>Cooper Square CLT</u> and <u>East Harlem El Barrio CLT</u> steward more than 400 deeply affordable apartments, as well as storefronts for two dozen community-serving small businesses. <u>East New York CLT</u>, <u>Mott Haven Port Morris Community Land Stewards</u>, <u>Bronx CLT</u>, <u>ReAL Edgemere CLT</u>, and others are acquiring their first properties, including multifamily buildings, vacant City land, and more.



New Economy Project coordinates the citywide CLT initiative. for more information, contact Will Spisak at will@neweconomynyc.org.



Advancing Racial, Social and Economic Justice in NYC Communities

TakeRoot Justice provides legal, participatory research and policy support to strengthen the work of grassroots community-based organizations in New York City to dismantle racial, economic and social oppression. We partner with dozens of grassroots community-based organizations each year (see partial list on reverse) that build leadership and power within New York City's low-income communities, particularly immigrants, communities of color and others who are traditionally excluded from policy-making. Founded in 2001 as a project of the Urban Justice Center, TakeRoot has been an independent, 50-person nonprofit organization since July 2019.

Our current areas of work include:

- > Tenants' Rights
- ➤ Workers' Rights
- > Immigrants' Rights
- Consumer Justice
- Equitable Neighborhoods & Cannabis Equity
- Participatory Research and Policy
- > Technical and Capacity Building Assistance for Nonprofits and Small Businesses

FY25 Funding Requests

TakeRoot participates in several citywide council funding initiatives designed to provide critical services to low-income NYC communities. They include:

- Stabilizing NYC
- Legal Services for the Working Poor
- Low Wage Worker Support
- The Worker Cooperative Business Development Initiative
- Community Land Trust (CLT) Initiative
- Community Housing Preservation Strategies

TakeRoot's innovative research, legal services and support for community-based organizations have played a crucial role in underserved NYC communities for over 20 years, and with the Council's support we look forward to engaging in the hard but necessary work of helping these communities recover from the devastating effects of the pandemic.

<u>Contact</u>: Marco Conner, Executive Director <u>mconner@takerootjustice.org</u>, (347) 987 1197 123 William Street, Suite 401 | New York, NY 10038 <u>www.takerootjustice.org</u>



TakeRoot collaborates with 70+ groups organizing low-income, BIPOC and immigrant communities throughout NYC to serve 2100+ New Yorkers per year and share \$20 million+ in support for work toward racial, social and economic justice. We are proud to work with the following organizations:

The Bronx

- Banana Kelly Community Improvement Association
- Crotona Community Coalition
- Green Worker Cooperatives*
- Mary Mitchell Family and Youth Center
- Mothers on the Move/ Bronx Organizing Neighborhoods & Development (BOND)
- New Settlement Apartments/Community Action for Safe Apartments (CASA)
- Northwest Bronx Community and Clergy Coalition
 & the Bronx Community Land Trust
- Pan-African Community Development Initiative
- South Bronx Tenant Movement

<u>Brooklyn</u>

- Brooklyn Movement Center
- Carroll Gardens Association
- Carroll Gardens Nanny Association
- Center for Family Life in Sunset Park
- Cypress Hills LDC
- East New York Community Land Trust
- Equality for Flatbush
- Fifth Avenue Committee
- Flatbush Tenant Coalition
- Haitian Women for Haitian Refugees*
- IMPACCT Brooklyn
- Neighbors Helping Neighbors
- Red Hook Initiative
- St. Nicks Alliance
- Worker's Justice Project/Proyecto Justicia Laboral*

Queens

- Adhikaar*
- Chhaya Community Development Corporation
- Desis Rising Up and Moving*
- MinKwon Center for Community Action
- New Immigrant Community Empowerment
- Project Hajra
- Ridgewood Tenants Union
- Woodside on the Move

Manhattan

- African Communities Together*
- Asian Americans For Equality*
- CAAAV Organizing Asian Communities*
- Chinese Staff and Workers' Association
- Cooper Square Committee
- East Harlem El Barrio Community Land Trust
- Good Old Lower East Side (GOLES)
- Harlem Solidarity Defense
- Little Sisters of the Assumption
- Movement for Justice in El Barrio
- The Residents to Preserve Public Housing
- University Settlement

Staten Island

• La Colmena

City-wide

- Arab American Association
- Asian Americans for Equality
- Association for Neighborhood and Housing Development
- Black Alliance for Just Immigration
- Damayan Migrant Workers Association
- Domestic Workers United
- Flanbwayan Haitian Literacy Project
- Laundry Workers Center
- Make the Road NY
- National Domestic Workers Alliance
- National Mobilization Against Sweatshops
- NYC Network of Worker Cooperatives
- Participatory Budgeting Project
- Right to Counsel NYC Coalition
- Rise
- Sylvia Rivera Law Project
- Tenants and Neighbors
- VOCAL-NY
- Urban Upbound

^{*}These organizations also offer services to communities in other borough(s) in addition to the borough under which they are listed.



New York City Council Budget and Oversight Hearing on The Preliminary Budget for Fiscal Year 2025, The Preliminary Capital Plan for Fiscal Years 2024-2028, and The Fiscal 2024 Preliminary Mayor's Management Report

Housing and Buildings Committee | March 11, 2024

On behalf of the Community Preservation Corporation (CPC), we would like to express gratitude to Chair Sanchez, the Committee on Housing and Buildings, Mayor Adams, Commissioner Carrion, the New York City Department of Housing Preservation and Development, and the many other Councilmembers who continue to advocate for more affordable housing for New Yorkers.

The impact of the affordable housing crisis in New York City is being felt by tenants and property owners alike. According to the recently released 2023 Housing Vacancy Survey, the typical New York City renter household was severely rent burdened (paying more than half of their household income toward housing costs). The net vacancy rate in 2023 for all housing in New York City was 1.41%, the lowest net rental vacancy rate on record since this survey began in 1965. For too many New Yorkers, affordable quality housing is either unsustainable or unattainable, leaving our neighbors housing insecure or, worse, on the brink of homelessness.

The situation is bleak for building budgets as well. As expenses have grown considerably while collections remain below pre-pandemic levels all within a high interest rate environment, affordable and rent stabilized buildings have experienced intensifying pressure on operations resulting in tightening debt service coverage, deferred maintenance, tax and water/sewer arrears, and mortgage delinquency. Managing a large mortgage portfolio of affordable housing (including a portfolio of loans on behalf of New York City Retirement Systems), we have seen per-unit insurance premiums increase an average of 17% per year since 2020, resulting in over 50% increases from pre-pandemic prices; and these numbers are expected to continue growing. We have also seen other signs of distress across our portfolio including delinquencies doubling over the last several years from 2% to 4% of our projects, and tightening debt service coverage ratios across our portfolio. With the regulations put in place by Housing Stability and Tenant Protection Act (or HSTPA),



the expiration of critical tax incentives for rehab and new construction, and ever-growing costs in a high-interest environment, building owners and developers are extremely limited in the tools they have at their disposal to help make building operations ends meet. This pressure is only further compounded for small building owners, especially emerging developers of color trying to build homes and businesses in NYC.

Despite these challenges, we are excited by the innovative solutions being advanced across the city, including the recent announcement of the Minority Business Enterprise (MBE) Guarantee Facility, for which CPC is serving as the facility administrator. The Facility will provide up to \$50 million to help MBE developers overcome historical financial barriers and fully participate in the development of critically needed affordable housing for New Yorkers. By helping bridge the guarantee gap, the MBE Facility is expected to enable as much as \$500 million in private construction lending to MBEs. This innovative public private partnership is demonstrative of the creative solutions needed to address the housing crisis and create opportunities for New Yorkers.

Another innovative solution can be found in Mayor Adams and the Department of City Planning's proposed modernization of the City's zoning regulations through City of Yes, a visionary overhaul of existing citywide zoning to support small businesses, create more affordable housing, and promote sustainability. CPC is thrilled to support this much-needed update, especially the Housing Opportunity proposals that aim to create a little more housing in every neighborhood by facilitating office to residential conversions, removing parking mandates, legalizing ADUs, encouraging transit-oriented development, campus development, and town center zoning, and allowing larger buildings in exchange for affordable units. We thank the City Council for voting to adopt the first of three City of Yes proposals and we encourage them to similarly vote to adopt the remaining two.

Just as no single factor caused the housing crisis, no single solution will solve it – however the single most important tool needed to facilitate the type of development needed to meaningful increase supply is the restoration of an as-of-right tax incentive for multifamily housing development with financially feasible



affordability options. 421-a was not perfect and some criticisms of the structure of that incentive are valid – however, 421-a was responsible for the creation of 117,000 units of housing from 2012-2022, 25-30% of which were income-restricted. In 2023, 421-a helped to finance 51% of the 14,227 affordable units closed by HPD and HDC. And while the public narrative around 421-a was that it only helped built large multifamily buildings in Manhattan, a 2021 analysis of five years of CPC's 421-a financed deals shows that our 24 421-a financed projects (encompassing 461 units) were exclusively located in the outer boroughs and built by emerging developers, with an average building size of 19 units. These deals are representative examples of the types of deals financed by 421-a, 75% of which were under 29 units and 71% of which were in the outer boroughs¹.

By reducing the tax burden, the tax incentive boosted a building's net operating income, meaning developers could put less up-front equity into projects – on average 31% of the total development costs as compared to the 44% that would be needed without 421-a. The lower equity made the project feasible, especially for smaller developers without access to deep pools of capital – simply put, these projects would not have happened without 421-a. In the absence of 421-a, these projects would have only worked with higher rents.

421-a has been a critical tool for the development of new housing in New York City, and we urgently need its replacement. We urge you, as members of the City Council, to support Governor Hochul's proposed replacement incentive, 485-x, and to work closely with counterparts in Albany to enact it this session. We also stand with the City in calling on Albany to reform the FAR 12 cap, legalize basement apartments, and create a commercial conversion tax incentive for affordable housing. As we consider the future of housing in New York City, these solutions would help to increase density, convert underutilized spaces to housing, and address the impacts of climate change.

 $^1\,https://furmancenter.org/files/publications/The_Role_of_421-a_Final.pdf$



Despite the challenges of our current housing crisis, there are innovative solutions that CPC stands ready to partner with the City to implement, ushering in a new era of housing production and preservation in New York City. We say YES to housing and encourage the Council to do the same. Thank you, Committee Chair Sanchez and other distinguished members of the New York City Council Housing and Buildings Committee, for the opportunity to provide testimony.

About CPC

The Community Preservation Corporation (CPC) is a nonprofit affordable housing and community revitalization company that was formed in the early 1970s to help New York City and State restore and rebuild communities which were devastated by deterioration and abandonment. Today, CPC uses its unique expertise in housing finance and public policy to expand access to quality housing, drive down the costs of affordable housing production, advance diversity and equity within the affordable housing development industry, and address the effects of climate change in our communities through the financing of sustainable housing. Since our founding, CPC has invested over \$14 billion to finance the creation and preservation of more than 225,000 units of housing through our lending and investing platforms. CPC is a permanent lending partner to the New York City Retirement Systems (NYCRS) and we are also an equity partner in the PACT Renaissance Collaborative, the team selected by NYCHA to renovate and preserve 16 NYCHA properties located in Manhattan. On behalf of New York State HCR, CPC is also administering the Climate Friendly Homes Program, a \$250 million program to electrify 10,000 units of housing across the state in the next four years.

Most recently, CPC again answered the call to support our government partners in reinvesting in communities following the collapse of Signature Bank. Alongside partners Neighborhood Restore HDFC and Related Fund Management, CPC is leading Community Stabilization Partners (CSP), the manager of a joint venture partnership with the FDIC to manage the rent stabilized portion of now defunct Signature Bank's multifamily commercial real estate portfolio. CPC on behalf of CSP is now the servicer of record for 1,100 buildings encompassing approximately 35,000 units in New York City, the majority of which are rent stabilized. We understand the unique role that rent regulated housing plays in New York City, the distinct financial challenges facing its owners and operators in today's market, and its importance as a haven of affordability to its tenants. As a partner with the FDIC and servicer of the stabilized loan portfolio, CSP and CPC are proud to be preserving the long-term affordability as well as the physical quality and financial stability of these buildings.

The Community Preservation Corporation 220 East 42nd Street, 16th Floor New York NY 10017

www.communityp.com





Testimony to NYC Council

Housing and Buildings Committee FY25 Preliminary Budget Hearing March 11, 2024

Hello Chairperson and members of the New York City Council Housing and Buildings Committee. My name is Pascale Leone and I am the Executive Director of the Supportive Housing Network of NY. Thank you for the opportunity to testify about the FY25 Budget. Today, I want to focus our testimony on improving the NYC 15/15 initiative, #JustPay for our human services workforce, and fully staffing critical city agencies associated with developing and operating supportive housing.

We're concerned that NYC 15/15, the city's primary mechanism for supportive housing development, is falling short of its goal to create 15k units by 2030. NYC 15/15 relies on the scattered site model, where nonprofits rent units on the private market and brings services to tenants. Yet, the private market units just aren't there, as evidenced by the recent Housing and Vacancy report that showed the rental vacancy rate at just 1.4%. This, along with inadequate service rates, has resulted in only 17% of scattered site units awarded after eight years, when the city should be at or above fifty percent.

This is not just about slow production; it's a racial equity issue. Black people are overrepresented in supportive housing applicants and make up the majority of tenants. Failing to cover the true cost of operating these programs means failing those the city has promised to support.

The Network has developed a comprehensive reallocation plan that would improve NYC 15/15 and ensure the city reaches its target- we seek to reallocate the unawarded scattered site units as follows:

- Develop additional congregate units, above the original target of 7,500 adding to the city's affordable housing stock
- 2. Develop only a limited number of scattered site units to be rented on the private market, accounting for the low vacancy rate and the instability of the model
- 3. Using 15/15 service and operating, develop a dedicated supportive housing preservation program at HPD
- 4. Investigate an **affordable housing overlay model**, where scattered site contracts can be paired with city-funded homeless set-asides

We are also seeking to increase and align all service Increase and align all NYC 15/15 service and operating to ensure parity across the program and all housing models, and expand NYC 15/15 eligibility to include individuals exiting jail or prison, and survivors of domestic violence. More details on this plan can be found in our written testimony.

Next, our workforce, predominantly Black and Brown women, deserve fair compensation. We join our colleagues and peers in the nonprofit human services sector calling for a 5% COLA for city-contracted human service workers in FY25, costing approximately \$150 million, with an additional 3% in FY26 and FY27, totaling 16% over five years, keeping pace with union workers. Additionally, we urge streamlining the process for claiming COLAs to avoid bureaucracy and slow contract amendments.

Finally, fully fund and staff City agencies building and filling affordable and supportive housing. A recent report from the comptroller reveals that understaffing in city agencies is causing delays in affordable housing development. This creates a inefficiencies in filling vacant units at a time when the city is facing significant strain on the homeless service system. Cutting positions or hiring freezes does not create efficiencies—instead it creates more of a strain on a system in dire need of a reprieve.



Dear Council Members Abreu, Dinowitz, Feliz, Restler, Hudson, Avilés, and Chair Sanchez,

Thank you for the opportunity to submit testimony to this committee. My name is Claire Davidson Miller, and I am a rabbinical student at the Jewish Theological Seminary and a proud member of Tirdof: New York Jewish Clergy for Justice. As a faith leader and a New Yorker, I ask that you consider the FY2025 City Budget not only as a tool of financial management, but as a moral document. The programs and services that New York City chooses to fund reflect our priorities, and this budget process is an opportunity to fund a city rooted in care and compassion, where every New Yorker can thrive.

New York City is facing its worst affordability crisis in decades: rents are at record levels, evictions and homelessness are rising, and a majority of renters are paying over 30% of their pre-tax income toward housing costs. It's time to build permanently-affordable housing that New Yorkers need: the City must deepen its investment in permanently-affordable and community-controlled housing. I am fortunate to have access to free housing myself – I am the director of the undergraduate dorm at JTS, which comes with housing. My peers, however, are not so lucky. We are expected to spend 37 hours at school every week, and yet my classmates each work between two and four jobs, to simply afford the necessities of life in New York, on top of our class time and homework. This statistic is particularly upsetting regarding the classmates of mine who are native New Yorkers: they work and study up to eighty combined hours a week just to be able to afford life in the city where they grew up!

We learn in the authoritative code of Jewish law, the Shulchan Aruch: "How much is it appropriate to give to one in need? Sufficient to a person's needs, in what they lack." My school, the Jewish Theological Seminary, is on the corner of Broadway and West 122nd, which is right next to the Grant Houses, a public housing project. While I am grateful for the housing that is provided to my two-thousand-plus neighbors, I also know that simple shelter is not enough. I was horrified, last year, to hear that hundreds of those neighbors had their gas cut off for three full months, unable to cook on anything other than a hot plate. Such a situation is unacceptable. How can we expect people to sustain themselves in a healthy, nourishing, and fulfilling way, without really being able to cook? I was grateful for your work, especially that of

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¹ Shulchan Aruch, Yoreh Deah 250:1

Council Member Abreu, to get that essential utility restored, and still I know that we can do more for New Yorkers.

We have an opportunity in this budget cycle to make sure that every New Yorker has what they need, to address their places of scarcity not only in the short term, but in a way that durably contributes to the long term thriving of every New Yorker, providing them not only with shelter, but with well-built and well-equipped shelter that actively contributes to their wellbeing, rather than causing stress.

Tirdof is proud to support the demand for "Housing Now, Housing for Generations." A capital investment of \$2 billion over the next four years would enable New York City to build and preserve community-controlled affordable homes via increased funding through the already-existing Neighborhood Pillars and Open Door programs.

Beyond addressing the City's critically-needed affordable housing stock, this investment will provide **stability and equity-building opportunities for low-income and working-class New Yorkers**. We're excited to see the creation of homes that will be accessible, energy-efficient and climate resilient, owned and operated by community-based organizations, and **permanently affordable**. This program would also empower tenants to address building neglect, a known struggle for even the most organized building residents in housing all over the city. Creating new home ownership opportunities for working class and low-income families would be a source of generational stability for thousands of New Yorkers.

Jewish tradition imagines the city as a thriving place where residents use municipal funds not only to sustain themselves as individuals, but to contribute to a system of communal care. The Talmud gives us a model of city residents who are mandated to contribute to communal funds specifically for food and clothing needs, and one for longtime residents to build "the pillars of the city." An expansion of both the Open Doors and Neighborhood pillars program would allow us to build and preserve a New York where all can thrive.

In	appreciation,
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Claire Davidson Miller

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² BT Bava Batra 8a



Dear Council Members Abreu, Dinowitz, Feliz, Restler, Hudson, Avilés, and Chair Sanchez,

Thank you for the opportunity to submit testimony to this committee. My name is Rabbi Marc Margolius and I am a proud member of Tirdof: New York Jewish Clergy for Justice. As a faith leader and a New Yorker, I ask that you consider the FY2025 City Budget not only as a tool of financial management, but as a moral document. The programs and services that New York City chooses to fund reflect our priorities, and this budget process is an opportunity to fund a city rooted in care and compassion, where every New Yorker can thrive.

New York City is facing its worst affordability crisis in decades: rents are at record levels, evictions and homelessness are rising, and a majority of renters are paying over 30% of their pre-tax income toward housing costs. It's time to build permanently-affordable housing that New Yorkers need: the City must deepen its investment in permanently-affordable and community-controlled housing. I witness the impact of the lack of affordable housing in the ongoing homelessness

We learn in the authoritative code of Jewish law, the Shulchan Aruch: "How much is it appropriate to give to one in need? Sufficient to a person's needs, in what they lack." We have an opportunity in this budget cycle to make sure that every New Yorker has what they need, to address their places of scarcity not only in the short term, but in a way that durably contributes to the long term thriving of every New Yorker.

Tirdof is proud to support the demand for "Housing Now, Housing for Generations." A capital investment of \$2 billion over the next four years would enable New York City to build and preserve community-controlled affordable homes via increased funding through the already-existing Neighborhood Pillars and Open Door programs.

Beyond addressing the City's critically-needed affordable housing stock, this investment will provide stability and equity-building opportunities for low-income and working-class **New Yorkers**. We're excited to see the creation of homes that will be accessible,

¹ Shulchan Aruch, Yoreh Deah 250:1

energy-efficient and climate resilient, owned and operated by community-based organizations, and **permanently affordable**. This program would also empower tenants to address building neglect, a known struggle for even the most organized building residents in housing all over the city. Creating new home ownership opportunities for working class and low-income families would be a source of generational stability for thousands of New Yorkers.

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In appreciation,

Rabbi Marc Margolius

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² BT Bava Batra 8a



Dear Council Members Abreu, Dinowitz, Feliz, Restler, Hudson, Avilés, and Chair Sanchez,

Thank you for the opportunity to submit testimony to this committee. My name is Rabbi Shuli Passow and I am the Chief Program and Engagement Officer at B;nai Jeshurun, and a proud member of Tirdof: New York Jewish Clergy for Justice. As a faith leader and a New Yorker, I ask that you consider the FY2025 City Budget not only as a tool of financial management, but as a moral document. The programs and services that New York City chooses to fund reflect our priorities, and this budget process is an opportunity to fund a city rooted in care and compassion, where every New Yorker can thrive.

New York City is facing its worst affordability crisis in decades: rents are at record levels, evictions and homelessness are rising, and a majority of renters are paying over 30% of their pre-tax income toward housing costs. It's time to build permanently-affordable housing that New Yorkers need: the City must deepen its investment in permanently-affordable and community-controlled housing. The Upper West Side has been watching the homeless population of our neighbor rise substantially in recent years; we know the answer to this crisis is not more police presence, arrests, or shuttling people from shelter to shelter, but an investment in permanent solutions that address the interconnected needs of this population—including mental health services, support for drug addiction, workforce development, and immigration. Our synagogue has also been involved in interfaith neighborhood efforts to support the influx of migrants who are being sheltered in the area; we want to see this population, especially the young and vulnerable children, find permanent housing so they can establish productive and contributing lives in this city.

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appropriate to give to one in need? Sufficient to a person's needs, in what they lack." We have an opportunity in this budget cycle to make sure that every New Yorker has what they need, to address their places of scarcity not only in the short term, but in a way that durably contributes to the long term thriving of every New Yorker.

Tirdof is proud to support the demand for "Housing Now, Housing for Generations." A capital investment of \$2 billion over the next four years would enable New York City to build and preserve community-controlled affordable homes via increased funding through the already-existing Neighborhood Pillars and Open Door programs.

Beyond addressing the City's critically-needed affordable housing stock, this investment will provide **stability and equity-building opportunities for low-income and working-class New Yorkers**. We're excited to see the creation of homes that will be accessible, energy-efficient and climate resilient, owned and operated by community-based organizations, and **permanently affordable**. This program would also empower tenants to address building neglect, a known struggle for even the most organized building residents in housing all over the city. Creating new home ownership opportunities for working class and low-income families would be a source of generational stability for thousands of New Yorkers.

Jewish tradition imagines the city as a thriving place where residents use municipal funds not only to sustain themselves as individuals, but to contribute to a system of communal care. The Talmud gives us a model of city residents who are mandated to contribute to communal funds specifically for food and clothing needs, and one for longtime residents to build "the pillars of the city." An expansion of both the Open Doors and Neighborhood pillars program would allow us to build and preserve a New York where all can thrive.

In appreciation,

Rabbi Shuli Passow

¹ Shulchan Aruch, Yoreh Deah 250:1

² BT Bava Batra 8a



Dear Council Members Abreu, Dinowitz, Feliz, Restler, Hudson, Avilés, and Chair Sanchez,

Thank you for the opportunity to submit testimony to this committee. My name is Rabbi Margo Hughes-Robinson, and I am the NY Rabbinic Organizer at T'ruah: the Rabbinic Call for Human Rights,, and a proud staff member of Tirdof: New York Jewish Clergy for Justice. As a faith leader and a New Yorker, I ask that you consider the FY2025 City Budget not only as a tool of financial management, but as a moral document. The programs and services that New York City chooses to fund reflect our priorities, and this budget process is an opportunity to fund a city rooted in care and compassion, where every New Yorker can thrive.

New York City is facing its worst affordability crisis in decades: rents are at record levels, evictions and homelessness are rising, and a majority of renters are paying over 30% of their pre-tax income toward housing costs. It's time to build permanently-affordable housing that New Yorkers need: the City must deepen its investment in permanently-affordable and community-controlled housing.

We learn in the authoritative code of Jewish law, the Shulchan Aruch: "How much is it appropriate to give to one in need? Sufficient to a person's needs, in what they lack." We have an opportunity in this budget cycle to make sure that every New Yorker has what they need, to address their places of scarcity not only in the short term, but in a way that durably contributes to the long term thriving of every New Yorker.

Tirdof is proud to support the demand for "Housing Now, Housing for Generations." A capital investment of \$2 billion over the next four years would enable New York City to build and preserve community-controlled affordable homes via increased funding through the already-existing Neighborhood Pillars and Open Door programs.

Beyond addressing the City's critically-needed affordable housing stock, this investment will provide stability and equity-building opportunities for low-income and working-class New

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¹ Shulchan Aruch, Yoreh Deah 250:1

Yorkers. We're excited to see the creation of homes that will be accessible, energy-efficient and climate resilient, owned and operated by community-based organizations, and **permanently affordable**. This program would also empower tenants to address building neglect, a known struggle for even the most organized building residents in housing all over the city. Creating new home ownership opportunities for working class and low-income families would be a source of generational stability for thousands of New Yorkers.

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In appreciation,

Rabbi Margo Hughes-Robinson

² BT Bava Batra 8a



<u>03.11.24- Trinity Church Testimony - Housing & Buildings Committee - FY25 Preliminary Budget</u> <u>Hearings</u>

To Chair Sanchez and Members of the Housing & Buildings Committee:

My name is Thehbia Hiwot, Managing Director of Housing and Homelessness at Trinity Church Wall Street. Thank you for the opportunity to provide testimony for this Fiscal Year 2025 preliminary budget hearing. We urge the Mayor and City Council to fund the creation and preservation of affordable and supportive housing and uphold the right to shelter.

Trinity Church Wall Street is an Episcopal Church in Lower Manhattan with a congregation of more than 1,600 parishioners, who come from all five boroughs and form an ethnically, racially, and economically diverse congregation. In addition to our ministry, we carry out our mission of faith and social justice through direct services, grantmaking, and advocacy.

Trinity has a long history of advancing social justice in alignment with our belief that every person is created in the image of God and has dignity and value. Removing barriers to and increasing the supply of affordable and supportive housing is a major priority for Trinity. In 2023, Trinity provided over \$13.9M million in grants and mission investments to support affordable housing development and address the city's homelessness crisis.

In this context and as faith leaders and fellow New Yorkers, Trinity Church is deeply concerned about the housing crisis and its acute impact on our most vulnerable residents. The median New York City rent grew 19% between 2010 and 2021, while median incomes rose only 10%. This has resulted in more than 50% of New York City renters spending over a third of their income on rent. The major driver of this increase in rent is New York's housing shortage. A recent REBNY report showed that developers' applications for multifamily residential buildings in New York City continue to decline, falling to 50% of the 20-year average and reaching just 20% of state and city goals. As a result, more than half of New York City residents struggle to afford their housing. Families with children (especially single parents) and people of color are particularly impacted by this affordability crisis.

More than 90,000 people, including more than 32,000 children, sleep in New York City's main municipal shelter system each night. This is 72% higher than a decade ago, and the highest it has been since the Great Depression, driven in part by the influx of more than 175,000 asylum seekers since spring 2022. In addition to those currently being housed in the primary shelter system, tens of thousands more asylum seekers are staying in emergency shelters operated by Health + Hospitals and hotels, including in Trinity's neighborhood. We have responded by expanding our distribution of food, clothing, and

essential items, and providing critical services such as ESL classes and a legal clinic. And, every night, thousands of unsheltered people sleep on city streets and in subways, and public spaces, many of whom suffer from mental illness and/or substance use disorders.

Further, millions of New Yorkers continue to struggle with the economic impacts of the pandemic and COVID-19 related eviction protections have expired, leading to increasing eviction rates across the city. Also, the city jail population has risen from less than 4,500 in 2020 to over 6,000, leading to more individuals needing shelter or supportive housing post-release, which is critical to reduce recidivism and increase safety. Under these stresses, Mayor Adams and Governor Hochul have advocated for a suspension of the city's right to shelter, which many, including ourselves, fear will lead to a dramatic increase in the number of individuals and families living on New York City streets.

In light of these significant challenges, we urge the council and administration, working with the state to:

- Change the city's zoning code to allow for more commercial spaces to be converted into residential units, with an incentive for the creation of affordable housing. Mayor Adams has indicated that office-to-residential conversions could produce as many as 20,000 new homes for 40,000 New Yorkers in the next decade and has included this as a part of his "City of Yes for Housing Opportunity" plan. Governor Hochul has committed to proposing legislation to allow New York City to offer a financial incentive for the construction of affordable housing units in conversion projects.
- Develop new financing mechanisms and strategies to increase the supply of deeply affordable
 and supportive housing particularly for vulnerable populations such as homeless youth and
 families, and people with criminal justice system experience, including developing housing on
 H+H sites, new single-room occupancy models, and legalizing accessory dwelling units
- Keep the city's commitment under NYC 15/15 to create 15,000 units of **supportive housing** by 2030. This should include attention to scatter site units by increasing the service rate to \$17,500 per unit to match the congregate care rate. And allowing stays in jail and prison of more than 90 days to count toward time spent "homeless" would enable thousands of people returning from jail or prison to access 15/15 supportive housing.
- Uphold New York's legal right to shelter, which stems from a 1980s interpretation of the state
 constitution and consent decree mandating that if someone has no place to stay, New York city
 much shelter them in a timely manner.
- Implement the package of bills passed by the Council last year to **improve and expand access to** the city's housing voucher program.

Trinity also supports the following state legislation and urges the council to pass resolutions of support:

- The **Faith Based Affordable Housing Act**, which would allow religious institutions to bypass local zoning laws in developing their land and create permanently affordable housing.
- The statewide **Housing Access Voucher Program**, which would serve people who do not qualify for existing rental assistance programs.









Testimony of Urban Green Council, New York League of Conservation Voters, Natural Resources Defense Council, and Regional Plan Association before New York City Committee on Housing and Buildings Re: NYC FY25 Preliminary Budget Hearing

March 11, 2024

Good afternoon Chair Sanchez and members of the Committee:

Thank you for the opportunity to speak to you today. My name is Danielle Manley and I am the Policy Manager at Urban Green Council, a nonprofit with a mission to decarbonize buildings for healthy and resilient communities.

I am testifying today on behalf of Urban Green, Natural Resources Defense Council, New York League of Conservation Voters, and Regional Plan Association to stress the importance of full funding for the implementation of New York City's groundbreaking building emissions law – Local Law 97 – in the upcoming Fiscal Year 2025 (FY25) New York City Budget.

Since 2021, we and a wide range of other stakeholders have <u>advocated</u> for this law to be prioritized in the City's annual budget because we all agree on one thing: robust funding for the implementation of Local Law 97 is essential to continued climate progress.

As you know, buildings contribute two-thirds of the city's total greenhouse gas emissions. Local Law 97 is the centerpiece of the city's climate strategy for buildings and is crucial to delivering NYC's low-carbon future. Once successfully implemented, the law will not only drive carbon reductions in **nearly 50,000** of New York's biggest buildings, it will also bring important co-benefits, like green jobs, lower pollution and greater health and comfort to New Yorkers.

While we understand the fiscal realities and challenges for running a city with over 8 million people, there are *very few* staff members budgeted at DOB to oversee Local Law 97. This law was the first and largest major policy to tackle carbon emissions from buildings anywhere in the world. Following NYC's leadership, at least 10 other cities in the US have passed building performance standards and <u>dozens more</u> are looking to do so. The world is watching how our city navigates this transformational law, and we cannot do so with *fewer* resources.

Since the law's passing in 2019, the Department of Buildings Office of Building Energy and Emissions Performance (OBEEP) has worked tirelessly to successfully facilitate a large advisory board process, issued two sets of major rulemaking to shape the law's technical details, and navigated numerous complex implementation questions.

The first year of compliance has begun, and thousands of building owners are now responsible for the carbon they emit. To ensure the law is as impactful as its intention, OBEEP's staff still has a big charge, including that they must:

- Finish conducting analyses required by the law;
- Complete the rulemaking process;
- Deliver outreach and education to owners; and
- Prepare for substantial review and enforcement efforts for the LL97 annual compliance reports from covered buildings that will start rolling in by May of next year.

We must maintain our City's trajectory to lower carbon emissions for the good of all New Yorkers and our global leadership in this space. To do so, it is crucial that the City ensures an adequate and sustained annual budget for the offices and agencies responsible for the law's success. The small sums required to provide DOB's dedicated staff with the capacity and resources they need to support their critical efforts will be repaid many times over by driving successful compliance, a new green workforce and healthy, low-carbon, efficient buildings.

Thank you for the opportunity to comment today. We are available to discuss how we can help.

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March 13, 2024

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Dart Westphal

Executive Director Peggy M. Shepard

Testimony of WE ACT for Environmental Justice to the New York City Council Committee on Housing and Buildings, on March 13, 2024 regarding Fiscal Year 25 Preliminary Budget.

WE ACT for Environmental Justice is writing to testify on the need to invest in programs and interventions that protect children from lead poisoning – absent in the Mayor's The City of New York Preliminary Budget Fiscal Year 2025. Also the current Administration has committed to, "Accelerating projects tied to meeting greenhouse gas reduction targets set by Local Law 97". The City must hold the Administration accountable by funding the decarbonization of the City's buildings through The City of New York fiscal year 2025 budget.

Eliminating Lead Exposure and Poisoning in New York City

WE ACT for Environmental Justice, an organization based in Harlem, has been fighting environmental racism at the city, state, and federal levels for more than 30 years. WE ACT led advocacy to pass <u>Local Law 1</u> (LL1) of 2004 – aimed to eradicate childhood lead poisoning by 2010. Also, alongside New York City Coalition to End Lead Poisoning (NYCCELP), we have passed several new lead bills into law to close loopholes left in LL1. However, there has been a lack of enforcement for this law for over a decade, as found by the Comptroller in a 2019 report.

Lead poisoning is an entirely preventable problem that has long-term effects on children's health and well-being and can contribute to what is sometimes called the "poisoning to prison pipeline." Because both the causes and prevention methods are so well-established, New York City must take urgent steps to completely eliminate childhood lead poisoning as well as adult lead exposure. Lead poisoning is racial justice issue with links to criminalization as well, as alluded to above. Living in substandard housing that exposes young children to lead creates a terrible legacy with high obstacles for children to overcome, but investing in preventative measures is a cost savings measure: Every dollar spent on prevention results in a return of \$17 – \$221.

¹ https://www.nvc.gov/assets/omb/downloads/pdf/sum1-23.pdf



We know the primary source of lead poisoning is lead paint in NYC's old housing stock. Old lead paint can crack, chip, and peel and create dust, especially on friction surfaces like doors or windows, or be dispersed through a building from poor construction and renovation practices. Drinking water is another significant pathway of lead exposure. It can make up at least 20% of a person's total exposure to lead, and up to 80% of total exposure for formula-fed babies under 1 year old.

While Local Law 1 of 2004 (LL1 of 2004) has done much to combat lead poisoning, there are still thousands of children found to have high blood lead levels every year. To enforce LL1 of 2004 and the provisions that have been added to city code in the intervening years, the city must fully fund agencies in order to conduct inspections, test dust and paint for lead, remove lead service lines that deliver water,² and other necessary functions that address lead concerns of New York City's families. The City's budget must reflect the needs of this unnecessary and long-standing crisis.

The Department of Health and Mental Hygiene (DOHMH) reported that 67% of children under six years of age with elevated blood levels are from high poverty neighborhoods. Furthermore, Black, Latino, and Asian children represent 82% of all newly identified cases of elevated blood levels in children under age six. It is imperative that this City Council sees this as an environmental health injustice and should make ending lead poisoning and exposure in New York City a top priority. This can be achieved by funding City agencies to administer lead poisoning prevention and intervention programs and lead service line replacement; funding staff to collect data and enforce current lead laws; and supporting legislation that closes the gaps in existing lead laws.

Ensure the equitable implementation of New York City's nation-leading buildings emissions law, Local Law 97 of 2019 (LL97)

Mayor Eric Adams needs to make climate a bigger priority for his administration. LL97 will reduce the emissions produced by the City's largest buildings 40% by 2030 and 80% by 2050. The City must bolster the law with increased funding for the rollout and expansion of supporting programs. Recent extreme weather events show us that the climate crisis represents, for many New Yorkers, the biggest threat to their public safety and the city's overall safety.

² Complete lead pipe removal is, according to EPA, urgently needed to protect the public from lead exposure from drinking water.



WE ACT is concerned with proposed budget cuts to key agencies that require adequate staffing and funding to work towards a Just Transition for our city that is equitable and accessible to all New Yorkers - especially those residing in disadvantaged and other environmental justice communities.

To implement key climate legislation, invest in good green jobs, and address the interrelated crises of climate change, public health, and social inequality, WE ACT – in support of the the <u>Climate Works for All</u> coalition, calls on the Administration to prioritize the following in the Fiscal Year 2025 budget:

Dedicate \$1.6M to fund and staff 10 positions at OBEEP for Local Law 97 (LL97) compliance and enforcement.

The effective implementation of LL97 cannot move forward without public sector oversight and enforcement. The Office of Building Energy Emissions Performance (OBEEP) under DOB, which is responsible for "Overseeing implementation of building energy and emissions performance laws and policies for existing buildings, new construction and major renovations" among other tasks, must be fully staffed and adequately funded to ensure that all building owners are assisted. OBEEP's responsibilities will only grow past 2024 as additional buildings will have to be supported with the various reporting requirements as we approach the law's stricter 2030 emissions reduction mandates. DOB must ensure timely submissions, as well as evaluating the building owner's overall compliance (eg: review of decarbonization plans and other reports). With 21 positions currently funded at OBEEP, we estimate that at least 10 additional positions would help support the implementation of LL97. We estimate that 5 data analyst positions would need \$850,000 to be added to DOB's budget and 5 inspectors would be an additional \$750,000. Therefore we estimate that 10 additional positions would require a total of \$1.6 million in DOB's budget for OBEEP.

Fund 3-5 staff positions at Department of Housing Preservation and Development (HPD) to increase staff capacity dedicated to affordable housing LL97 compliance.

To better support affordable housing buildings with LL97 compliance, 3 new positions at the Office of Policy and Strategy at the Department of



Housing Preservation and Development would require an estimated additional \$480,000 in HPD's budget.

Redirect funding (~\$5M) from NYC Accelerator to local NYC-based organizations to provide education, outreach, and technical assistance services on LL97 compliance for the first compliance period 2024-2029.

Local NYC organizations and Community Based Organizations (CBOs) should be supported to conduct outreach and education initiatives on LL97, as they are the best suited to do outreach more effectively in their respective communities. With input from local organizations working on the ground, CW4A estimated that there should be a minimum of \$5 million allocated in the FY 2025 budget for local NYC organizations to carry out education and outreach initiatives on LL97 compliance.

Advocate for state and federal funding for financing LL97-related building upgrades and retrofits.

We are in the midst of a worsening climate crisis and the City must do everything it can to reduce emissions, decarbonize our buildings, remediate environmental health hazards and more; all with environmental and climate justice as the foundation of this work. This Council has the opportunity to make this budget as climate forward as possible by making bold, necessary investments.

Lonnie J. Portis

NYC Policy and Advocacy Manager lonnie@weact.org 646-866-8720

My name is Memo Salazar- I am the co-chair of the Western Queens Community Land Trust.

We are one of the recipients of City Council funding through the Community Land Trust initiative. Thanks to you, we were able to hire Pamela Herrera as our official coordinator, first as a part-time employee, but this past year on a full time basis. Everyone else on the CLT is a volunteer, including myself, who have to manage full time jobs and families with our CLT work. Having Pam to devote herself fully to this work allows us to carry out community events, do more outreach, meet with elected officials and further our work with projects such as developing an enormous artist, food justice and community hub in Long Island City.

I realize our Mayor is demanding we tighten our belts and make cuts while also promising that the solution to our housing crisis lies in rezoning though the City of Yes proposal. But the data is incredibly clear that just building more market-rate housing with only the most minimal affordability level is going to create more of the high-priced market rate units that got us into this mess. Vancouver, for example, has doubled its population since 1960, but they have tripled their housing units during that same time. Supply and demand logic tells us housing costs should have gone down, yet it is now one of the most expensive cities to live in worldwide. This is because housing has become an investment commodity, pushing the idea of housing for actual people way down on our list of priorities. The only way to combat this is through serious funding on federal, state, and city levels.

That's why we urge you to increase funding for the CLT initiative this year to \$3 million dollars-money we need if CLTs are going to succeed in providing truly affordable housing that developers have failed to create. Here in Queens, we now have CLTs in Ravenswood and Edgemere, but without funding, none of us have a chance to succeed. We have relationships to our communities that no consulting firm can compete with- we are better poised than anyone else at bringing affordable housing projects to the people that need it the most.

We also urge you to dedicate \$3.22 billion in this year's budget to NYCHA for critical repairs and upgrades. NYCHA apartments should be no different than the luxury apartments standing just down the street- they should have heat, working elevators, and be just as safe and secure as the fanciest buildings in New York City.

Both the United Nations and our own State constitution make it clear that housing is a human right. We need you, as our representatives, to back that philosophy up with funding- real funding- that will help us help New York.

Thank you.

Concerning a very questionable joe restuccia cb4 member:

Joe, you falsely claim in the community board meeting that "Caesar" has nothing to offer.

How so you make such claims when I exposed that the now knowingly engineered survey actually only had 18% participation, not meeting the 20% threshold for the survey to meet minimum threshold to move forward with results?!

Remember, NYCHA executives perjured themselves at city hall falsely claiming over 50% participated, which you and the community board parroted?!...

Though why do you continue to lie by not recognizing that the informal had a mere 18% participation rate and now the executive who perjured themselves is absent from meetings... and now you and other nycha executives are continuing to lie claiming 30% participation.

How do you lie claiming that apartments would be like for like exchange when the quality of the new building is cheep construction, with cardboard walls and drop ceilings, with the kitchen in the living room and less square feet?!...

Community board members have been exposed as having a bias against me, saying that they will vote against me because they do not like me... how does this represent fiduciary responsibility of a city council member when analyzing public housing projects?!...

You personally have told me that you are biased against me and hate me as much as you hate donald trump, in order to show your extreme bias against me... how do you, as an admittedly biased community board member, as biased against me as Lowell D. Kern, whom board members felt obligated to apologized for when he said he was voting against renovating Elliott Chelsea Fulton houses because he personally does not like me.... Joe you self admittedly do not have unbiased opinions and is not qualified to participate in cb4 community discussions.... This puts an malicious mark on your face and character.

Joe, do you think that if the cb4 admitted that survey participation is what it is, 18%, the fraud of cb4 proposals on this project would be questioned... is this why you lie and mock the new adjusted figures from over 50% to 30%.

I see you resume'... you is a developer yourself... your desperation to get in on a proposed deal of cannibalizing public housing is right up your alley huh... you'd love to do business with related and get in on the deal huh babes?!...

Why are you so insistent on jacking up rents solely for the purpose of mortgaging nycha property?!... You ever heard of the term predatory asset strippers, babes?!

Joe, rumor is you claim to own a building on 42nd st, and that the tenants in the building are very unhappy with you and say you do not maintain the place well or fix things... and the tenants are trying to organize, but are concerned of you retaliation.... How can you pretend to have any competence in making decisions for residents, when your house is a mess and details show incompetence in your own personal business?!

I am a concerned community member, you must have answers to my questions, and expect a response thanks.

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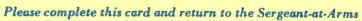
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