

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

----- X

February 28, 2014

Start: 1:13 p.m.

Recess: 5:07 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E: JUMAANE D. WILLIAMS
Chairperson

COUNCIL MEMBERS:

Rafael Espinal
Helen Rosenthal
Rosie Mendez
Mark Levine
Robert Cornegy
Karen Koslowitz
Eric Ulrich
Chaim M. Deutsch
Ritchie Torres

A P P E A R A N C E S (CONTINUED)

Stacey Cumberbatch
Commissioner
Department of Citywide Administrative
Services

Timothy Sheares
Assistant Commissioner for Property
NYC Department of Finance

Vicki Been
Commissioner
NYC Department of Housing
Preservation and Development

Sam J. Miller
Policy and Communications Organizer
Picture the Homeless

Kendall Jackman
Housing Campaign Leader
Picture the Homeless

Barika Williams
Policy Director
Association for Neighborhood and
Housing Development

Ellen Davidson
Staff Attorney
Legal Aid Society

Claudia Wilner
Senior Staff Attorney
New Economy Project

Juan Santiago
Advocate
Affordable Neighborhood
Cooperative Program/TIL Tenants

Alexandra Hanson
NYC Policy Director
New York State Association for
Affordable Housing

Christie Peale
Executive Director
Center for New York City Neighborhoods

Rachel Breitmen
Resident
533 E. 11th Street, NYC

Margaret Becker
Director of Disaster Recovery Unit
Staten Island Legal Services

Susannah Dyen
Policy Coordinator
Alliance for a Just Rebuilding

Paula Segal
Director
596 Acres

Ayo Harrington
Community Board 3 Member
Loisaida United Neighborhood Gardens

Cathy Dang
Director
CAAAY Organizing Asian Communities

Robert S. Altman
Legislative Consultant
Queens and Bronx Building Association

Greg Todd
Member
Green Phoenix Permaculture &
Brooklyn Allied Composters and Carters

Charles Krezell
Nominations Committee
NYC Community Garden Coalition

CHAIRPERSON WILLIAMS: The hearing has come to order. It is not the Public Safety Committee. This is Housing and Buildings. Good afternoon and welcome to everyone for this session's first hearing of Housing and Buildings. My name is Jumaane Williams, the chair of the committee, and I am joined by Council Member Espinal from Brooklyn and Council Member Rosenthal from Manhattan. Today we are here to discuss vacant properties.

Put simply, vacant properties are a problem for our communities. They drag down property values. They attract crime. They can collapse and they can catch on fire. That's all bad, but what may be worse is that many vacant properties are just a waste. They are buildings and lots that could be used as housing for low-income families; as retail spaces for neighborhoods; as community gardens; as playgrounds or as any number of things that could add value to our communities. It's hard to say just how many vacant properties there are in New York City. Data from the Department of City Planning suggests that there are over 28,000 vacant lots. That would mean

that roughly three out of every 100 tax lots have nothing on them. Although we understand that some of these lots may actually have community gardens. Gauging the number of vacant buildings is even harder. As far as we know, there is no single database listing all of the vacant buildings in the city. We can make some estimates. For example, we can look at the number of vacant orders issued by the Department of Buildings or the number of buildings that the Fire Department has declared unsafe, and we can assume that those buildings are empty, but that really only gives us part of the picture. The other alternatives would be to do what some of the dedicated advocates here today have done and what the city of Detroit has started doing. We can get our sneakers on, go out into the community and count the vacant buildings. That's what Picture the Homeless did and that's what's Right to the City did, and I'm sure they'll be telling us more about that shortly.

Knowing how many vacant properties there are and where they are is important, but it's really only a first step. The next step is figuring out what to do with them. In the past,

the city has had several programs that encourages development and rehabilitation of vacant properties, such as the Neighborhood Entrepreneurs Program, the Neighborhood Redevelopment Program or the HomeWorks Homeownership Program. Some of these programs work by giving city-owned vacant properties to organizations that agree to build affordable housing. Other programs give loans and tax incentives to owners to encourage them to rehabilitate vacant properties. Some programs did a combination of both. The committee would like to know what programs work best, what programs the administration plans to continue and what new programs we can expect to see in the future. We are also going to be hearing from the public. We are going to hear about how you view the issue of vacant properties, how it's affected you and what you think should be done about it.

With that said, I'm going to call up the first panel. Please note that all witnesses will be under oath when testifying and I'd also like to remind everyone to please fill out a card with Sergeant if you'd like to testify today, and I know the first panels are Commissioner Vicki Been

and Commissioner Stacey Cumberbatch, I'd like to say congratulations, welcome. Also, we have Matt Berk from DCAS and Timothy Sheares from the Department of Finance and I think we're going to do the oath now. Do it one at a time or...

[background voice] 'Kay, can you please raise your right hand? Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today?

PANEL MEMBERS: I do.

CHAIRPERSON WILLIAMS: Thank you very much and you may proceed. Thank you again for being here.

COMMISSIONER CUMBERBATCH: Thank you. Good afternoon, Chair Williams and members of the Committee on Housing and Buildings. My name is Stacey Cumberbatch and I'm the Commissioner of the Department of Citywide Administrative Services, also known as DCAS. Thank you for inviting me to appear before the committee today to discuss DCAS's role in managing vacant city property. I look forward to working with all of you in the days ahead.

As you know, the City Charter directs DCAS to provide city agencies with the critical resources needed to provide services to the public. One of the critical supports we provides involves the disposal of the city's surplus real property. Surplus properties are those that are no longer needed for city operations and that agencies have transferred title to DCAS for disposal. Currently, the city of New York has over 13,000 lots and DCAS hold title to approximately 2,000 of them. These lots can be disposed of by DCAS through two means. One is public auction or through the SAIL Away program, which stands for Slivers, Accessways and Interior Lots, and allows direct sales to adjacent property owners. As background, the DCAs portfolio surplus property has declined over the years, largely due to the end of in rem tax foreclosure of private properties with delinquent taxes. Since the city stopped foreclosing on properties in 1996, the surplus property portfolio has been significantly reduced and now stands at approximately 2,000 lots. While lots may be transferred between agencies as operational needs

change, most properties are disposed of through public auction program.

Over the years, DCAS has held multiple public auctions, the most recent in 2013 where eight lots were sold for \$17 million in revenue. Since the number of surplus properties has dwindled, most of developable lots have been sold. The larger properties that remain in our portfolio are either on hold for future projects of sister agencies or leased out for private uses, leaving about 1,000 teeny or narrow sliver lots. These lots are sometimes the remnants of past utilities, land locked interior lots with no street frontage or legal means of access and accessways that are either fragments of old streets or parts of private driveways or properties.

SAIL Away Program: In response to the changing surplus portfolio, in 2010, DCAS initiated the SAIL Away program, which authorized the sale of small, undevelopable properties directly to adjacent property owners. This process, approved in the City Charter with legislation that will sunset December 31st, 2015, provides DCAS with an important mechanism to sell non-developable

properties to adjacent owners. However, all property, regardless of size, must receive Uniform Land Use Review Procedure or ULURP approved in order for DCAS to sell them at auction or through the SAIL Away program. To date, we've sold 28 lots representing 33,657 square feet through the SAIL Away program, compared to 24 lots representing 23,000 square feet that were offered during the same period to adjacent property owners, but not sold due to lack of interest. The program thus far has generated \$313,869 in revenue in addition to the tax revenue received by returning these lots to private hands and the cost savings to the city, having no longer to maintain the lots. Maintenance for vacant lots includes periodic inspection by DCAS property inspection staff of eight employees and various contracts for rodent abatement, tree maintenance, sidewalk and structure repairs. In Fiscal Year 2013, DCAS spent roughly \$280,000 on maintenance of this associated portfolio.

DCAS estimates now that there are over 800 lots that could potentially be eligible for disposal through the SAIL Away program. Each lot, however, needs to be approved for sale through

1
2 ULURP, individually assessed for eligibility,
3 appraised to determine market value and there needs
4 to be a willing and able adjacent property owner to
5 purchase the properties. Outreach for this program
6 is conducted to possible purchasers through a
7 solicitation process. Solicitation letters are
8 mailed to adjacent property owners, including a map
9 identifying the city property and the private
10 adjacent properties, along with instructions to
11 proceed with the sale. DCAS is also able to seek
12 the lots to an entity comprised of multiple
13 adjacent property owners.

14 These limited market lots are
15 distributed throughout the city, mostly located in
16 the outer boroughs of Queens and Brooklyn having
17 the highest concentrations. Some of the
18 neighborhoods with the highest concentration of
19 these lots includes Council District 36, Bed-Stuy
20 and Crown Heights with 41 lots, 28 of which already
21 have been approved for disposition through ULURP;
22 District 32, which encompasses various
23 neighborhoods in Southern Queens with 32 lots. 23
24 of those have been approved through the ULURP
25 process. In fact, the districts represented by

members of this committee include over 150 potentially eligible properties, three-quarters of which have already gone through the ULURP process.

In sum, the DCAS portfolio of vacant surplus properties is mainly limited to small, irregularly shaped and isolated properties that are not suitable for city use or public auction. Many of these properties were offered for sale through the past public auctions prior to the existence of the SAIL Away program, but did not receive bids.

DCAS continues to evaluate our portfolio and come up with new ways to repurpose these unmarketable lots. In addition, we are constantly in touch with our sister agencies to look for properties to support their needs. Thank you very much for the time and I'm happy to answer any questions. I've also included next to the testimony a listing of lots in the SAIL Away program that are in your various districts. Thank you.

CHAIRPERSON WILLIAMS: Do we have that list? It's included in the testimony?

COMMISSIONER CUMBERBATCH: Yes.

CHAIRPERSON WILLIAMS: So everybody has one? Okay, thank you.

ASSISTANT COMMISSIONER SHEARES: Good afternoon, Chairman Williams and members of the City Council Committee on Housing and Buildings. My name is Timothy Sheares and I am the Assistant Commissioner for Property at the New York City Department of Finance. Thank you for the opportunity to testify before you today about the city's tax treatment of vacant land.

The Department of Finance is tasked with valuing more than one million properties every year. On January 15th, we released the Tentative Assessment Role for the 14-15 Fiscal Year. Almost 27,000 of the parcels on the Tentative Role are vacant land parcels and more than 14,700 are larger than 2,500 square feet. I've included a map in my presentation of the location of these vacant lots for your reference.

New York State law requires that vacant land in Manhattan is classified as Tax Class 4 or commercial parcels. State law requirements are different for other boroughs. Vacant land there is classified as Tax Class 1 if it is in a

residentially zoned area. If it is not in the residentially zoned area, it is also classified as Class 1 if it meets the following three criteria:

1. It is adjacent to a property improved with a residential structure;
2. It has had the same owner as the adjacent residential property since 1989 and
3. Its total area is 10,000 square feet or less.

Nearly 21,000 of all vacant land parcels on the Roll are Tax Class 1 parcels with a Market Value of \$5.8 billion. The remaining 5,800 vacant lots are Tax Class 4 and have a total Market Value of \$4.1 billion.

The Department of Finance values vacant land, whether in Tax Class 1 or Tax Class 4, using a similar methodology, which groups vacant land into categories based on location, zoning and area ratings. We also use sales price data to determine Market Value. However, the Tax Class of vacant land has a major impact on Assessed Value. The Assessed Value of a property is the value along with exemptions, abatement and the tax rate that is used to determine property taxes. In Tax Class 1, the Assessed Value is up to six percent of the Market Value. In addition, there is a limit on how

much the Assessed Value can increase from one year to the next. It cannot increase more than six percent a year or 20 percent over five years. In tax Class 4, Assessed Value can be up to 45 percent of Market Value. Market Value changes due to market forces are phased in over a five-year period. Thus, in general, Class 4 parcels with the same Market Value as Class 1 parcels are subject to much higher property taxes.

From a public policy perspective, the current disparate treatment of vacant land in different tax classes raises obvious issues. With the exception of smaller sized lots, less than 2,500 square feet, which are typically not suited for development or are frequently owned by homeowners, it is possible that Tax Class 1 treatment may incentivize the warehousing or non-productive use of the property. Mayor de Blasio has highlighted this issue and the administration is actively studying a proposal on this subject, which would involve moving vacant lots from Tax Class 1 to Tax Class 4. The proposal under consideration would require New York State legislation and would exclude smaller lots that are

less than 2,500 square feet in size. In addition, flood zone parcels would also be excluded. We estimate that this proposal would affect 6,893 lots; 983 in Brooklyn, 1,957 in Queens, 1,365 in the Bronx and 2,588 in Staten Island. In aggregate, tax revenues from the lots switched from Tax Class 1 to Tax Class 4 would rise from \$15 million to \$143 million after a five-year phase in, assuming no change in the usage of the lots, though the intention of this proposal would be to encourage development of these parcels. At this time I would be happy to take any questions. Thank you.

COMMISSIONER BEEN: Good afternoon, Chairman Williams and members of the Housing and Buildings Committee. I apologize for my cold here, so but I am Vicki Been. I've been the Commissioner of the New York City Department of Housing Preservation and Development for I think eight days now, and I am very pleased to appear before the committee to discuss the topic of vacant property in New York City, and as it my first appearance before the City Council as HPD Commissioner, I just wanted to say how much I look forward to working

with all of you and working with you to ensure that all New Yorkers have access to safe and affordable housing.

As you heard from Commissioner Cumberbatch, DCAS manages New York City's portfolio of city-owned vacant parcels. In consultation with DCAS, HPD reserves some of those parcels in the city-owned portfolio to explore for a possible development as affordable housing. We narrow down which of these parcels is suitable for affordable housing based on a variety of factors such as zoning, neighborhood and community context, transit accessibility and financial feasibility. Many of the parcels, as you've heard, are too small to develop as standalone housing sites, so we often try to cluster sites together to maximize the potential for housing development. HPD is also the city's agency with Urban Renewal authority, so the sites that have been acquired by the city for these purposes are in HPD jurisdiction once acquired until they are redeveloped, so we try to pair them together as well.

In total, HPD has over 1,100 parcels of vacant city-owned land that is on our list for

exploration, which we estimate represents approximately 100 potential site clusters for the development of affordable housing. Those 100 site clusters are scattered across all five boroughs, with the bulk of them in Brooklyn, Manhattan and the Bronx. Once we select particular sites for development for new affordable housing, our Planning Division conducts a community visioning process that includes consultation with the local community boards and elected officials and representatives from the community. This process allows us to collect information regarding the needs of the local community, including information about family income, demographics and those kinds of data points. We make every effort to reflect community preferences in the request for proposals that we release to determine development interest in the site. After collecting responses to our request for proposal, the agency reviews and scores those proposals with the community's affordability preferences in mind, along with other factors such as design and financial feasibility. We choose a development team with a proposal that adheres most closely to the parameters that our RFP sets and we

1 designate the city-owned parcels to that
2 development team. Once the development team is
3 selected, we work with the development team to
4 complete a variety of pre-development work before
5 commencing with the disposal of the city-owned land
6 through the Uniform Land Use and Review Process.

7
8 Now, in addition to requests for
9 proposal, HPD sometimes disposes of land through a
10 negotiated sale process. This process enables the
11 agency to dispose of sites to development partners
12 if they meet at least one of three criteria. The
13 first criteria is that the city-owned site can be
14 developed with an adjacent privately owned site in
15 a way that results in additional affordable housing
16 units. The second is that the city-owned site will
17 developed with affordable housing and leverage
18 resources beyond city funds, and the third is that
19 it's a city-owned site that will be developed for
20 supportive housing.

21 Now, on a parallel track with ULURP
22 approval, our Office of Development works with the
23 selected development team to craft a financing plan
24 to develop the city-owned site for affordable
25 housing. With our sister agency, the New York City

Housing Development Corporation, we manage a variety of financing programs, authorized by the various levels of government. For example, HPD's low-income program funds the new construction of multi-family rental projects, affordable to households earning up to 60 percent of the Area Median Income. Some developers will choose to apply for low-income housing tax credits issued by the United States Department of Treasury, and those tax credits are awarded to low-income housing projects that provide at least 20 percent of the units that are reserved for low-income households at or below 60 percent of AMI. Similarly, the development team may want to pursue HDC's low-income affordable marketplace program called LAMP, which combines a first mortgage and a second mortgage; I'll spare you all the details of where that comes from, but I'm happy to talk about that; again, in order to produce housing that's reserved for those who earn less than 60 percent of AMI. So we combine those kinds of financing resources to leverage private bank financing to close on a construction loan and then we hope that that's

followed in short order with a celebratory groundbreaking with all the various stakeholders.

Now, shortly before the completion of construction, our Marketing Division works with the development team and their marketing agent to lease up the affordable units in anticipation of the project completion. Applicants for the affordable units are selected through an automated lottery system managed by HPD and HDC. Potential applicants can log onto that system through New York City Housing Connect at newyorkcity.gov to register and apply for all of those units.

Mayor de Blasio holds the development and the preservation of affordable housing for all New Yorkers and the revitalization and stabilization of neighborhoods in all five boroughs as one of his highest priorities. As stated by the Mayor in his State of the City Address, the administration plans to create or preserve 200,000 units of affordable housing over the next 10 years, and to make the city's housing programs more inclusive so that they serve everyone from the lowest income families to middle-class New Yorkers, who increasingly cannot afford to stay in our city.

Integral to the plan will be a reexamination of all of the city-owned assets, including vacant land, to ensure that we are maximizing every opportunity to create affordable housing. City Hall, HPD and a team of other city agencies are in the process of developing the specifics of that plan, which we look forward to discussing with City Council and unveiling to the public on May 1st.

So thank you for your time and I look forward to partnering with this committee and the council as a whole to achieve the Mayor's housing plan and I'm happy, of course, to respond to any questions that you might have.

CHAIRPERSON WILLIAMS: Thank you so much, Commissioners, for your testimony. We have been joined by Council Member Rose Mendez from Manhattan. It is her birthday. A very, very happy birthday to her. [applause] [singing Happy Birthday] Alright, alright. [applause]

COUNCIL MEMBER MENDEZ: Chair Williams sang me that song last year, so this is becoming an annual tradition. Now we just got to get the whole audience to clap. [laughter] Thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: We've been joined by Council Member Levine from Manhattan, Council Member Robert Cornegy from Brooklyn and Council Member Koslowitz from Queens. Thank you all. I want to make sure we thank the staff, our central staff for helping put it together: Ed Atkins... sorry, Guillermo Patino, Jose Conde [phonetic], Sarah Gussenbaum [phonetic] and I want to thank my staff Nick Smith, my legislative director for helping make sure this came to fruition. Thank you again for the testimony, but one quick question before I go into the vacant lot questions. Commissioner Been, you mentioned some of the households earning up to 60 percent of AMI. Is it federal? What area do you use and how much is that?

COMMISSIONER BEEN: The AMI standards are set by the Department of Housing and Urban Development and they are for the entire metro area and they set those on a regular basis, so.

CHAIRPERSON WILLIAMS: How much is it, 60 percent if we have a household of four?

COMMISSIONER BEEN: The 60 percent for a household of four is... let me tell you, just one

second. I'm sorry, yeah. Okay, \$50,340 for a household of four.

CHAIRPERSON WILLIAMS: Thank you. That is, just on a side bar, something I'm very much interested in seeing how we can fix 'cause actually all of New York City is a terrible barometer to set for an Area Median Income 'cause it's so vastly different in those small areas. So I am trying to figure out and reconcile the numbers. There were a lot of numbers thrown around. I think DCAS said they had maybe 1,000 vacant lots if I get that right, toward the end. The Department of Finance said there was about 27,000 parcels of vacant land and HPD said 11,000 parcels of vacant city-owned land.

COMMISSIONER BEEN: Oh, 1,100.

CHAIRPERSON WILLIAMS: 1,100, I'm sorry, 1,100.

COMMISSIONER BEEN: Within our purview.

CHAIRPERSON WILLIAMS: So just help me reconcile that a little bit more.

COMMISSIONER CUMBERBATCH: Mm-hm.

CHAIRPERSON WILLIAMS: Please.

COMMISSIONER CUMBERBATCH: So
pertaining to the DCAS vacant lots.

CHAIRPERSON WILLIAMS: Sure.

COMMISSIONER CUMBERBATCH: Most of
those lots are, as I said, the irregular slivers,
accessways and the program SAIL Away is really
geared towards selling them... making them
available to adjacent property owners, so they are
not developable types of lots. They are...

CHAIRPERSON WILLIAMS: [interposing]
Okay.

COMMISSIONER CUMBERBATCH: You know,
worn beds of streets, accessways, et cetera.

CHAIRPERSON WILLIAMS: And so they're
not really... 'cause that's not your purview, so
you have just those slivers and those are all city-
owned there.

COMMISSIONER CUMBERBATCH: That's
correct.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER CUMBERBATCH: To the
extent we're trying to sell them to adjacent
property owners.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER CUMBERBATCH: They remain city-owned.

ASSISTANT COMMISSIONER SHEARES: And at the Department of Finance, we have to value all vacant lots in the city, so we will have the largest number.

CHAIRPERSON WILLIAMS: That includes private and city?

ASSISTANT COMMISSIONER SHEARES: Correct.

CHAIRPERSON WILLIAMS: And you said 14,700 are larger than 2,500 square feet. I'm terrible with the numbers. Can you give me a framework? Is that a small house? Is that a building? How much would that...

ASSISTANCE COMMISSIONER SHEARES: That range is... that number represented all vacant land in Tax Class 1 and Tax Class 4.

CHAIRPERSON WILLIAMS: I'm trying to get a gauge of what that looks like visually. Is that a small house? Is that the size of City Hall building? What kind of building would fit on that?

ASSISTANT COMMISSIONER SHEARES: Where at the median it's about 5,170 square feet...

CHAIRPERSON WILLIAMS: I'm being told it's maybe the size of a brownstone? [background voices] 2,500 is about a brownstone, okay. So that's 2,500 is developable property for housing, the 2,500 square feet number?

ASSISTANT COMMISSIONER SHEARES: Is developable for housing.

CHAIRPERSON WILLIAMS: Okay, thank you, and then Commissioner Been?

COMMISSIONER BEEN: Sorry. There are 1,100 sites that are vacant city-owned parcels that have been reserved for us to explore for affordable housing.

CHAIRPERSON WILLIAMS: And what's the definition for each agency of vacant?

COMMISSIONER BEEN: In our case, I mean these are vacant parcels that we would not have to relocate somebody from, right? So they are nobody living on them.

CHAIRPERSON WILLIAMS: They would be land or vacant buildings?

COMMISSIONER BEEN: I don't feel... I think it would just be land, right? If they have buildings on them they're... you know, they fall

into a different category, so this is just empty land.

CHAIRPERSON WILLIAMS: So if it has a building on it...

COMMISSIONER BEEN: [interposing] Mm-hm.

CHAIRPERSON WILLIAMS: Where does it fall then?

COMMISSIONER BEEN: Then they would be... they would fall into what we would think of as vacant buildings, but not vacant land, right?

CHAIRPERSON WILLIAMS: So this number does not include vacant buildings.

COMMISSIONER BEEN: This number does not include vacant buildings.

CHAIRPERSON WILLIAMS: Do we have a number for vacant buildings?

COMMISSIONER BEEN: I can get that back to you. I don't have it with me right now.

CHAIRPERSON WILLIAMS: Yeah, I was trying to... I think we were trying to capture that number as well. I think particularly those would be particularly important because that means we have a number of units. Now, I don't know if

there's any way we can try to get the number before the hearing.

COMMISSIONER BEEN: We can... yes, we can do that. Do you have that, those vacant buildings 'cause that's not listed in our...

ASSISTANT COMMISSIONER SHEARES: We won't be able to get that to you before the end of the hearing.

CHAIRPERSON WILLIAMS: Vacant buildings are not in HPD's purview.

COMMISSIONER BEEN: Well, I mean it could be that you know, a building becomes vacant during... obviously there may be instances in which a vacant... a building becomes vacant as we are preparing the site for... you know, if we're clearing it or something like that. Normally, if we have a building we try to use it as housing, so it's not vacant, right? That's our main priority.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: So...

CHAIRPERSON WILLIAMS: So then I'm going to go to DCAS. Okay, Commissioner, what is the definition of DCAS's... what is DCAS's definition of vacant?

COMMISSIONER CUMBERBATCH: It's based on Finance and City Planning definitions of what a vacant lot is. So I think it's that they determine you know, either through inspection what is considered, at least for tax class purposes, what's vacant so...

CHAIRPERSON WILLIAMS: [interposing]
So...

COMMISSIONER CUMBERBATCH: So that's what we use as a definition.

CHAIRPERSON WILLIAMS: So what's the...
[crosstalk]

ASSISTANT COMMISSIONER SHEARES: It's land without an improvement.

CHAIRPERSON WILLIAMS: Say that again.

ASSISTANT COMMISSIONER SHEARES: Land without a structure or an improvement on it.

CHAIRPERSON WILLIAMS: Land without structural...

ASSISTANT COMMISSIONER SHEARES: A structure...

CHAIRPERSON WILLIAMS: Or...

[crosstalk]

ASSISTANT COMMISSIONER SHEARES: Or an improvement.

CHAIRPERSON WILLIAMS: So what's your definition of land that has an empty property on it?

ASSISTANT COMMISSIONER SHEARES: That's vacant land. Now what... you're talking about...

COMMISSIONER BEEN: An empty building you mean?

CHAIRPERSON WILLIAMS: Yes, an empty building.

ASSISTANT COMMISSIONER SHEARES: That's an improved property meaning it can fall into any classification. It can be Tax Class 2 if it's an apartment building; Tax Class 4 if it's a commercial building.

CHAIRPERSON WILLIAMS: So just so I'm clear, the only thing that has been testified on today is land that has no structure on it.

ASSISTANT COMMISSIONER SHEARES: Correct.

COMMISSIONER BEEN: Right.

CHAIRPERSON WILLIAMS: Okay, does anybody know how many parcels of land has empty structure on it? That means no?

COMMISSIONER BEEN: Well, so here's what I'm going to say about this from work that I did before I become HPD Commissioner: it is very difficult to exactly figure out whether or not a building is vacant, right, and as Picture the Homeless and others have really tried to do that, there is no central database that says to us this building is vacant. All of us have different ways of trying to estimate that and tried to get a handle on that, but it's a very difficult actually thing to figure out. It shouldn't... sounds like it. We should know if...

[crosstalk]

CHAIRPERSON WILLIAMS: Well...

[crosstalk]

COMMISSIONER BEEN: It's vacant, but it's actually a lot more difficult question.

CHAIRPERSON WILLIAMS: So when we were figuring out what to do with this hearing, we actually separated vacant from abandoned.

COMMISSIONER BEEN: Mm-hm.

CHAIRPERSON WILLIAMS: So I think we can see the difficulty in figuring out if it's abandoned or not...

COMMISSIONER BEEN: [interposing] Mm-hm.

CHAIRPERSON WILLIAMS: But it should be slightly easier I guess to figure out if there's actually something in it or people in it. Does that make sense?

COMMISSIONER BEEN: Yes, it makes sense, but it's harder to do than you... I... I...

CHAIRPERSON WILLIAMS: [interposing] Okay.

COMMISSIONER BEEN: I understand that. I mean, believe me, I have shared this frustration as we have tried to figure out where there is vacant land, but I mean we know in theory if there are people living in a building through things like the Housing and Community Vacancy Survey and you know, and other measures; you know censuses and things like that. We also... buildings of certain... buildings are supposed to register with us if they include rental and obviously they are supposed to be paying taxes and letting us know if

1 they're living in them if it's a single family home
2 right? So we know all of those things, but
3 sometimes a building is in flux, right? Sometimes
4 there are people living in the building who have
5 not registered; who are not paying taxes, so it
6 gets a little complicated.
7

8 CHAIRPERSON WILLIAMS: So I understand
9 that. In my past life, I participated in some of
10 those counts.

11 COMMISSIONER BEEN: Yep.

12 CHAIRPERSON WILLIAMS: And it is
13 difficult. Is there a roughshod number? Is there
14 anything? Like what is the current handle on how
15 many buildings are out there? There has to be some
16 number or some gauge that we have.

17 COMMISSIONER BEEN: So from our
18 perspective, I mean we know the numbers that have
19 been put forward by for example, Picture the
20 Homeless, which I think is about... the last I
21 think I checked was 22,000. Is that right; or
22 somewhere around that number. We have not been
23 able to verify you know, that number for exactly
24 the reasons that we were talking about; the
25 difficulty that we were talking about. So HPD in

1 COMMITTEE ON HOUSING AND BUILDINGS 36
2 addition to you know, building... the financing
3 housing and preserving housing, we are also in
4 charge of code enforcement, so our inspectors are
5 out there all the time in response to 3-1-1
6 complaints about either vacant buildings or 3-1-1
7 complaints about you know, conditions in buildings.
8 So we are out there all the time and when we see a
9 building that we think is vacant, we you know,
10 register that and we record that and keep records
11 of that and I don't know what that number... I'm
12 sorry, I thought we were focusing on vacant land,
13 not vacant buildings, so I did not bring that
14 number, but we can get that to you.

15 CHAIRPERSON WILLIAMS: Is there
16 anybody... and I understand it's eight days. Is
17 there anyone there now who may know what that
18 number is?

19 COMMISSIONER BEEN: Yes, we will try to
20 get that number for you by the end of the hearing.

21 CHAIRPERSON WILLIAMS: By the end of
22 the hearing.

23 COMMISSIONER BEEN: Yes, mm-hm.

24 CHAIRPERSON WILLIAMS: That would be
25 fantastic 'cause I'm sorry, I think we tried our

best to communicate it. I'm sorry for the mix up, but we definitely were interested in land and the buildings.

COMMISSIONER BEEN: I apologize for the misunderstanding. We thought we were focusing on vacant land, but we will try to get you what we can say about which buildings we know are vacant, but we do not think that that's the universe, right? These are ones that have come to our attention through our inspections and that kind of thing, but we have not done a census the way that Picture the Homeless has done and so we do not... I'm not going to say that that's the full number, right?

CHAIRPERSON WILLIAMS: So would be responsible? Is it DCAS, Department of Finance or HPD? Who is the best person to know that number?

COMMISSIONER BEEN: So do you want to tell about from your perspective?

ASSISTANT COMMISSIONER SHEARES: Well, from our perspective, it is equally difficult because we have parcels that are mixed use, in which the retail component is occupied and the residential component isn't, so that's why it's

difficult for us to come up with a concrete number to describe a vacant building.

CHAIRPERSON WILLIAMS: Does Department of Finance or DCAS have any number of what that number might be?

COMMISSIONER CUMBERBATCH: Of vacant buildings?

CHAIRPERSON WILLIAMS: Vacant buildings.

COMMISSIONER CUMBERBATCH: DCAS would not outside of the purview of what the agency does, but...

CHAIRPERSON WILLIAMS: So understanding the difficulty of it, what I'm frustrated with is that there seems not even to be a number to start with; like even if that number was wrong; even if that number had a lot of problems with it; even if you say we took Picture the Homeless's number and ran through it a little bit. It seems like there is just no movement on that and I'm trying to figure out why understanding the difficulty.

ASSISTANT COMMISSIONER SHEARES: Well, I think I came prepared to speak about vacant land and not about vacant buildings. I would've

probably... if I had knew that was on the agenda, I would've come with a number; the number of vacant buildings.

CHAIRPERSON WILLIAMS: I see. Okay, well...

COMMISSIONER BEEN: But I think that what... you know, what I can say from HPD is that we also are obviously very concerned about that issue and so it really requires a lot of coordination and data work across a variety of agencies, right? The Fire Department sometimes finds vacant land. The Police Department sometimes finds it. We sometimes find it. DOF has its ways of figuring out what some vacant things may be and I can say to you that we're committed to trying to work across all those agencies and try to come up with a better number, but it is a difficult number to pin down. There's no getting around that.

CHAIRPERSON WILLIAMS: No, I understand that. I just... there should be some number.

COMMISSIONER BEEN: Yep.

CHAIRPERSON WILLIAMS: I don't know if DCAS and the Department of Finance... is there any

way any of your staff can get some semblance of a number before the end of the hearing?

COMMISSIONER CUMBERBUNCH: On DCAS's part, as I said, I mean the...

CHAIRPERSON WILLIAMS: [interposing]
It's not your purview.

COMMISSIONER CUMBERBATCH: It's not our purview. We have the slivers, the small literally vacant land with no structures on them.

CHAIRPERSON WILLIAMS: Department of Finance?

ASSISTANT COMMISSIONER SHEARES: I can't commit to that today.

CHAIRPERSON WILLIAMS: Okay, I'm going to go to some of my colleagues.

COMMISSIONER BEEN: Mm-hm.

CHAIRPERSON WILLIAMS: I need to find out.

COMMISSIONER BEEN: Mm-hm.

CHAIRPERSON WILLIAMS: And make sure I am clear on what we asked...

COMMISSIONER BEEN: [interposing] Mm-hm.

CHAIRPERSON WILLIAMS: To be prepared for today as opposed to what seems to be prepared today, so but I want to call on Council Member... this is the list, so I'll just call it out now: Rosenthal, Levin, Espinal, Mendez, Cornegy and Ulrich, so Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Thank you, Council Member Williams, for holding this hearing. I might be having the same sort of point of confusion, so forgive me. There is a brownstone in my district.

COMMISSIONER BEEN: [interposing] Mm-hm.

COUNCIL MEMBER ROSENTHAL: On I don't know; West 76th Street I think that's vacant and they don't pay taxes, but it's a privately owned brownstone. Is that... what can we do if they don't pay taxes? What can we do with that building? [background voices] You might not be the right people to ask or... sorry.

COMMISSIONER BEEN: So if a building does not pay taxes for some period of time, it will go on the tax lien sale list, right, and so I can't tell you 'cause that's not my purview, Council

1
2 Member Rosenthal, but it will go on the tax lien
3 sale list and it will be disposed of in that way,
4 right? There are a variety of ways in which we, at
5 HPD, will... so often if a building is not paying
6 taxes it is often also suffering code violations
7 and all of those kinds of things.

8 COUNCIL MEMBER ROSENTHAL: Yeah.

9 COMMISSIONER BEEN: And then we have a
10 variety of programs to work with buildings like
11 that. Sometimes they are being just neglected by
12 an absentee landowner or a landlord who, you know,
13 is not responsibly managing the property and we
14 have a variety of programs to address that, right,
15 everything from what we call our Alternative
16 Enforcement Program to a variety of ways, so I'm
17 happy to talk all that through with you. You know,
18 I don't have all the details right now...

19 [crosstalk]

20 COUNCIL MEMBER ROSENTHAL: Sure.

21 COMMISSIONER BEEN: 'Cause that's not
22 what I thought we were talking about, but so we
23 have a variety of programs to try to get those
24 buildings safe, up to code, paying their taxes and
25 if they're not, we try to either move them into...

we have what we call a Third Party Transfer Program where we try to move them into responsible ownership.

COUNCIL MEMBER ROSENTHAL: Yeah, you're exactly going in the direction that I wanted to go in.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER ROSENTHAL: Like would it... I'd love to talk to you or your staff after the hearing about... I have a couple of sites like that in my...

[crosstalk]

COMMISSIONER BEEN: Mm-hm.

COUNCIL MEMBER ROSENTHAL: District and would they be ripe for supportive homeless...

COMMISSIONER BEEN: [interposing] Mm-hm.

COUNCIL MEMBER ROSENTHAL: You know, housing.

COMMISSIONER BEEN: So Council Member, if you have a piece of property that you think is not paying taxes and is sitting vacant, please send me an email, alright?

COUNCIL MEMBER ROSENTHAL: Okay.

COMMISSIONER BEEN: And we will follow up on it.

COUNCIL MEMBER ROSENTHAL: Great and then similarly is a question of understanding for Finance, just real quickly. I'm looking at your testimony and again, I just don't understand how Finance works, so Class 1, Class 4, what all that means. You seem to say that the state law requires vacant land in Manhattan to be Class 4 or commercial parcels, so that means it could be something else, but it's classified that way because it's in Manhattan.

ASSISTANT COMMISSIONER SHEARES: Class 4...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: And that's just how it's...

ASSISTANT COMMISSIONER SHEARES:
[interposing] Class 4 vacant land in Manhattan. Vacant land in Manhattan is classified... it's only Class 4. In the outer boroughs we have Class 1 and Class 4 of vacant land.

COUNCIL MEMBER ROSENTHAL: So the reason I'm asking is 'cause again, looking in my

1 COMMITTEE ON HOUSING AND BUILDINGS 45
2 district, I'd love a list of those properties that
3 are vacant land, so it's the Upper Westside of
4 Manhattan, District 6, Again, looking to see if
5 that could be useable for something, right, 'cause
6 hypothetically...

7 ASSISTANT COMMISSIONER SHEARES: You
8 just want a list of those parcels.

9 COUNCIL MEMBER ROSENTHAL: What could
10 we do with them is what I'm wondering.

11 ASSISTANT COMMISSIONER SHEARES: I can
12 provide you a list.

13 COUNCIL MEMBER ROSENTHAL: Great, thank
14 you. Thank you again for being here.

15 ASSISTANT COMMISSIONER SHEARES: Mm-hm.

16 CHAIRPERSON WILLIAMS: Just a follow up
17 question, so also in Manhattan the way it's worded,
18 Manhattan is classified as Tax Class 4 or
19 commercial property. Are you saying that they're
20 either Class 4 or commercial or Class 4 means
21 commercial?

22 ASSISTANT COMMISSIONER SHEARES: Class
23 4 means commercial.

24 CHAIRPERSON WILLIAMS: So just to
25 follow up on her question, so even if it's not in a

commercial area or not near a commercial strip it is still classified as commercial.

ASSISTANT COMMISSSIONER SHEARES: In Manhattan.

COUNCIL MEMBER ROSENTHAL: Right and sorry, can I follow up, Council Member? So it's just... it's for tax purposes so it could be a residential building, a former residential...

[crosstalk]

ASSISTANT COMMISSIONER SHEARES: It could be a residential lot or a residential zone lot in Manhattan. It's Class 4. In the outer boroughs it's quite different.

COUNCIL MEMBER ROSENTHAL: Right.

ASSISTANT COMMISSIONER SHEARES: In the outer boroughs...

COUNCIL MEMBER ROSENTHAL:
[interposing] So and it's so we can tax them higher.

ASSISTANT COMMISSIONER SHEARES: The assessed ratio...

COUNCIL MEMBER ROSENTHAL:
[interposing] Yeah.

ASSISTANT COMMISSIONER SHEARES: The
Assessment Ratio is greater as a...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Right.

ASSISTANT COMMISSIONER SHEARES: Tax
Class 4 than a Tax Class 1.

COUNCIL MEMBER ROSENTHAL: Right, right
and to be clear, it can be a vacant lot or there
could be a structure on that lot or no, no
structure?

ASSISTANT COMMISSIONER SHEARES: If
there's a structure on a lot that may change the
circumstance. A structure... and we have four tax
classes in the city of New York: one to three
family homes and similarly, one to three family
vacant land or vacant land that's zoned residential
or it's Class 1. Class 2 are for...

COUNCIL MEMBER ROSENTHAL:
[interposing] I understand.

ASSISTANT COMMISSIONER SHEARES:
Apartment buildings. Class 4 is for all other
commercial buildings.

COUNCIL MEMBER ROSENTHAL: Bless you for the job you do. I will never understand this, but thank you very much.

CHAIRPERSON WILLIAMS: I want to recognize Council Member Ulrich from Queens and for a minute I saw Council Member Deutsch from Brooklyn, and I also want to recognize Council Member Torres from Manhattan. Next... sorry, from the Bronx. My deepest, sincerest apologies. [laughter] Next, Council Member Levine, then Espinal, Mendez, Cornegy and Ulrich.

COUNCIL MEMBER LEVINE: Thank you, Chair Williams and thanks to the Commissioners for your testimony. This is an issue that we care so deeply about, in part, because vacant land is a source of rat infestation and could become a dumping ground for junk and just all sorts of problems, but I think what really motivates us is the loss potential there; the opportunity cross and at a time when we're desperate for more affordable housing and in some neighborhoods more school space and other uses of this land, we consider this to be perhaps our most precious resource. If I'm reading the date right, then in every single borough the

1 vast majority of vacant lots are privately owned.
2
3 In Manhattan it's 63.6 percent. So figuring out a
4 way to change the business equation for that owner
5 is key. Obviously, they are deciding at the moment
6 that it's better business to leave it vacant.
7 Maybe they're waiting for property value to
8 increase, but for them it's more profitable to wait
9 and I think that the administration plan... well,
10 it's currently under consideration to switch the
11 tax status so that they'll pay a much higher tax
12 rate while the property is vacant is a wonderful
13 idea because it changes that equation for owners.
14 It would appear to only affect the outer boroughs
15 if I'm... is that correct?

16 ASSISTANT COMMISSIONER SHEARES: That's
17 correct.

18 COUNCIL MEMBER LEVINE: So I happen to
19 represent Northern Manhattan and we have other
20 Manhattan council member here and there seem to
21 hundreds if not thousands of pink dots on this map.
22 In other words, we have a large inventory of vacant
23 property. I can tell you in my district I could...
24 I walk by them all the time; they're there. So I'd
25 like to understand why... if you can speak to this,

1 why the administration is not proposing an approach
2 to also incentivize development for more productive
3 uses in Manhattan and I guess almost a
4 philosophical question, why are we giving tax
5 discounts at all on any of this land? Why aren't
6 we just taxing it at 100 percent?
7

8 ASSISTANT COMMISSIONER SHEARES: I
9 don't know if we would call it a discount, but we
10 establish a ratio for Assessed Value in the city of
11 New York for commercial properties at 45 percent
12 and for residential properties at six percent.

13 COUNCIL MEMBER LEVINE: Right, but
14 what's the public policy argument against upping
15 the tax rate in Manhattan as well to the same rate
16 as if it were unoccupied property?

17 ASSISTANT COMMISSIONER SHEARES: Well,
18 that's based on state law, so a legislation would
19 have to be changed.

20 COUNCIL MEMBER LEVINE: Right. Well,
21 the outer borough plan would require state
22 legislation as well and we're ready to push the
23 state to do the right thing on this, but can you
24 speak to any rationale for not incentivizing at a
25 more aggressive rate in Manhattan?

ASSISTANT COMMISSIONER SHEARES: Well, Manhattan, all Manhattan parcels; vacant land parcels are already at Class 4.

COUNCIL MEMBER LEVINE: Right. Maybe we need a new Tax Class or maybe we need to raise the rate for the category 4. I mean we can think up of a variety of ways to do this, but even at that higher rate in Manhattan there are at least hundreds, if not thousands of parcels where the owner has decided you know what? It's more profitable for me to wait.

ASSISTANT COMMISSIONER SHEARES: I...

COUNCIL MEMBER LEVINE: And we know of parcels that have been vacant for decades, so somebody's doing the math and determining that it works out for them to wait, so can we change the math?

ASSISTANT COMMISSIONER SHEARES: I'm sure the administration is looking at all... a number of proposals.

COUNCIL MEMBER LEVINE: And is the... is your agency the think tank on this? Who's working on the plan for the outer boroughs?

ASSISTANT COMMISSIONER SHEARES: We are not the think tank.

COUNCIL MEMBER LEVINE: Does anyone know which agency is pursuing that?

COMMISSIONER BEEN: [off mic] It is not within HPD's purview.

COUNCIL MEMBER LEVINE: Right, okay.

COMMISSIONER BEEN: I'm sorry. It is not within HPD's purview. I would... I mean you know, the taxation system, as Council Member Rosenthal recognized, is an incredibly complex one, right, and you know, I think the administration is trying to understand what exactly the variety of proposals will be working with the Department of Finance and others.

COMMISSIONER CUMBERBATCH: Let me just say one thing. It's part of the collaboration between agencies that are going to result in the Mayor releasing a housing plan on May 1st, and so part of that would involve looking at some of the issues that you have raised as well.

COUNCIL MEMBER LEVINE: Well and I would urge consideration as part of that plan for

more aggressive taxation in Manhattan to incentivize better use of this land. Thank you.

CHAIRPERSON WILLIAMS: Thank you. For clarity, there is no single agency that would be looking at it? It would be... historically it was a collaborative?

COMMISSIONER CUMBERBATH: But I guess we got to get clear. Looking at specifically what tax...

CHAIRPERSON WILLIAMS: Taxation of the outer boroughs I think was the question? [background voices] So all five boroughs.

ASSISTANT COMMISSIONER SHEARES: There are probably four under our purview, but we haven't... it hasn't been addressed as of yet.

CHAIRPERSON WILLIAMS: It hasn't been addressed, so that's the answer, Council Member. But just before I call Espinal, another thing I wanted to try to figure out. The numbers you gave for vacant land were city-owned. Did you have any numbers for private owned as well?

COMMISSIONER CUMBERBATCH: Are you talking about vacant lot... literally...

[crosstalk]

CHAIRPERSON WILLIAMS: Vacant...

[crosstalk]

COMMISSIONER CUMBERBATCH: Vacant

lots...

[crosstalk]

CHAIRPERSON WILLIAMS: Yes, well...

[crosstalk]

COMMISSIONER CUMBERBATCH: Without an improvement or a structure.

[crosstalk]

CHAIRPERSON WILLIAMS: I realize that we don't have the numbers for buildings.

COMMISSIONER CUMBERBATCH: Without an improvement or structure.

CHAIRPERSON WILLIAMS: Yes.

COMMISSIONER CUMBERBATCH: I can only speak to vacant land without an improvement or structure that is within DCAS's portfolio; like we hold titles for it.

CHAIRPERSON WILLIAMS: That's city-owned.

COMMISSIONER CUMBERBATCH: That's city-owned. As for privately owned vacant land without an improvement, I mean I don't know if that's

Finance; Buildings. I don't know if there is an agency that has an inventory. Based on tax class I guess you could back into what's vacant land.

ASSISTANT COMMISSIONER SHEARES: We have an inventory of vacant land that's privately owned. I don't have it here today.

CHAIRPERSON WILLIAMS: Commissioner Been?

COMMISSIONER BEEN: No, that's not... privately owned vacant land is not within our purview, right?

CHAIRPERSON WILLIAMS: So just for clarity, we believe that what we requested was the universe including private and with improved structures.

COMMISSIONER BEEN: Mm-hm.

CHAIRPERSON WILLIAMS: But what I'm hearing is that is not what you thought that we asked for, so there is a breakdown somewhere. It's a little frustrating 'cause I don't know where it is...

COMMISSIONER BEEN: [interposing] Mm-hm.

CHAIRPERSON WILLIAMS: But we're definitely not going to get to everything that I would have liked to get to today, which means I may have to do another hearing to get the numbers. My personal belief is I'm not sure that all of these numbers are calculated well or that you may actually have better answers if we come back again.

COMMISSIONER BEEN: Mm-hm.

CHAIRPERSON WILLIAMS: So if that's the case, it would be great if you would say that now if that is the case. You may not actually know, but if it is the case I'd rather know now instead of calling another hearing and we're not going to get new information, but I don't know if that's the case or not.

COMMISSIONER BEEN: So I can say from HPD's perspective we do not... you know privately owned vacant land is not within our purview. I mean we try to pay attention when we're thinking about a neighborhood revitalization plan and we try to see all of the assets. We try to look for assemblages, that kind of thing, but we do not have an inventory of privately owned vacant land, right?

We would rely on the DOF files to tell us what is privately owned vacant land.

ASSISTANT COMMISSIONER SHEARES: I don't have an exact number. I can say the majority of the 27,000 is privately owned.

CHAIRPERSON WILLIAMS: So this number includes private and city.

ASSISTANT COMMISSIONER SHEARES: Correct.

CHAIRPERSON WILLIAMS: Okay, but you think you do have an actual breakdown someplace.

ASSISTANT COMMISSIONER SHEARES: That's correct.

CHAIRPERSON WILLIAMS: Thank you. Council Member Espinal, then Mendez, Cornegy, Ulrich and Torres.

COUNCIL MEMBER ESPINAL: Thank you, Mr. Chairman and congratulations on your new role as chair of Housing and Buildings. I just want to talk about two instances that I've seen and it has to deal with property owners paying taxes on adjacent lots that are vacant. So they'll pay property taxes for decades and DCAS or the Department of Finance will come in and say hey,

1 listen, this is not your property, and they're
2 stuck in a space where they have to either take the
3 refund of the taxes they've paid for the many years
4 or go into auction to buy the land from the city.
5 But you know, sometimes they don't see it as fair
6 because you know, the money they put into for 10 to
7 20 years doesn't have any interest to it and also
8 they've been using that property. You know, what
9 do you guys do? How do you guys come about to say
10 this is our... this is the city's property? You
11 know, why is it that it takes so many years for
12 DCAS or the Department of Finance to come and say
13 this is the city's property?

15 COMMISSIONER CUMBERBATCH: You know,
16 I'm trying to understand the scenario because the
17 vacant land that's part of... in DCAS's portfolio
18 there are 1,000 or so lots that I described earlier
19 that are basically slivers or accessways, and I
20 guess that's what you're referring to. You know,
21 we have this program to try to sell to...
22 specifically we have jurisdiction to sell to
23 adjacent property owners through to the end of next
24 year and then that will sunset, so I don't know of
25 specific instances where people might have been

1 COMMITTEE ON HOUSING AND BUILDINGS 59
2 paying property taxes. I guess that is an issue
3 that would be worked out if people had an interest
4 in buying it at some point. I don't know all the
5 specifics on how that would work out. All I can
6 tell you though, is that of the 1,000 we have that
7 have to go through ULURP there's a solicitation and
8 outreach to the adjacent property owners to see if
9 there's interest to buy it and we try to pursue
10 that actively, but in terms of a specific scenario
11 like had they been using it; did they pay taxes, I
12 assume that would be worked out in any kind of
13 transaction if someone came forth and said I really
14 want a clear title and you know, own it.

15 COUNCIL MEMBER ESPINAL: I just want to
16 talk about... I've seen... well, I've heard of an
17 instance or two where they try to negotiate with
18 DCAS and they feel like they're being unfairly
19 treated in the process where...

20 [crosstalk]

21 COMMISSIONER CUMBERBATCH: Well...

22 COUNCIL MEMBER ESPINAL: They're...
23 let's say for example they have... they own a
24 perimeter of land and inside the perimeter there
25 might be a sliver...

COMMISSIONER CUMBERBATCH:

[interposing] Uh-huh.

COUNCIL MEMBER ESPINAL: Which is not
being used.

[crosstalk]

COMMISSIONER CUMBERBATCH: Okay.

[crosstalk]

COUNCIL MEMBER ESPINAL: It cannot be
developed you know, and they feel like why is DCAS
coming after me over a sliver of land within my
property when it cannot be used and the city cannot
use it? You know, so I just... I just wish that...

COMMISSIONER CUMBERBATCH: So if you
would bring... if there are specific instances you
know, that you want to bring to our attention and
we can look at that and see exactly in those cases
what the situation is, please do that.

COUNCIL MEMBER ESPINAL: Alright, thank
you.

COMMISSIONER CUMBERBATCH: You're
welcome.

CHAIRPERSON WILLIAMS: Council Member
Mendez, Cornegy, Ulrich and Torres.

COUNCIL MEMBER MENDEZ: Thank you, Mr. Chair and congratulations on your first hearing. I'm very excited to be a member of this committee again. I think part of the problem we're having here is what we understand. This committee is called vacant properties, and to me that would include land that has a structure or not a structure, but that means something different for the panel and so I came to this hearing thinking about everything in my district that I know to be vacant and things that you might consider to be vacant, so first of all, I don't know who gave us this from the panel.

[crosstalk]

COMMISSIONER CUMBERBATCH: DCAS.

COUNCIL MEMBER MENDEZ: Okay, so I see my name on there and a couple of other members. I don't... without knowing the location this is not helpful to me.

COMMISSIONER CUMBERBATCH: Definitely. I mean we can certainly provide the addresses. It was just to give kind of an overview to you...

COUNCIL MEMBER MENDEZ: [interposing]
Okay.

COMMISSIONER CUMBERBATCH: Of you know,
the scale.

COUNCIL MEMBER MENDEZ: So for all of
this stuff if we had addresses and number that go
with for lack of a better word vacant land...

COMMISSIONER CUMBERBATCH:
[interposing] Mm-hm.

COUNCIL MEMBER MENDEZ: So that we can
determine whether it's vacant; whether there's a
structure or whether I think it's a structure; you
don't think it's a structure, then that would be
helpful because our communities have rich history
and my problem right now... let me ask a question,
not because it's my birthday and I don't want to
get at how old you might be, but who was here
during the 1970s? Okay, in New York City, so I'm a
native New Yorker kind of, yeah, fuzzy. I was
in... I'm not going to tell you what... I was in
middle school I think, but anyway. But the city
was broke, right, and everybody remembers it
through the stories of *The Bronx is Burning* 'cause
we were all watching the Yankees; I'm a Yankee fan,
but it wasn't just the Bronx that was burning. It
was a lot of communities, including the community I

live and represent now, where it was the then community residents who saved our community and our district. So there were buildings and they were empty. Back then we had a lot of in rem buildings.

COMMISSIONER CUMBERBATCH:

[interposing] Mm-hm.

COUNCIL MEMBER MENDEZ: 'Cause

landlords torched them or if there was a fire, got the insurance profits, walked away. From those in rem buildings many programs were created during the Koch Era TIL, CMP, DAMP and "sweat equity" programs and I say all of this because...

COMMISSIONER CUMBERBATCH: [interposing]

Mm-hm.

COUNCIL MEMBER MENDEZ: Where the

buildings collapsed that you may consider vacant land we have community gardens, so those to us are not empty. Some of them may actually have a structure 'cause we built casitas and bohios; little huts, little houses and so it is a structure. Maybe it's not a recognized structure. The HDFCs, the "sweat equity" programs, the homesteading and the squat building, I have a lot of problems right now 'cause they're asset rich,

1 but cash poor, so they're getting taxed at an
2 amount that they cannot afford to pay. They helped
3 save the building, make it permanently affordable
4 and now they're in a crunch period. I have a
5 building that's empty that was in a TIL program.
6 The TIL program was zeroed out in the last
7 administration. Those residents have been waiting
8 to get back into that building. There is no money
9 to rehab that building. In some of these SAIL
10 alleyways... I don't know what that means. I know
11 recently with the administration we worked on doing
12 a micro unit building. I don't think that works
13 everywhere. I wasn't happy about doing it. I got
14 some affordable units out of it, but if we could
15 create affordable housing on some of these small
16 lots; permanently affordable housing and maybe
17 doing some more micro units, maybe that's something
18 to look at. So having said all that, I don't... I
19 think we have a really big issue and I think this
20 is going to necessitate more discussion, but we
21 need to know what those lots are 'cause we may have
22 information you do not and maybe those lots are
23 being utilized or were in a prior city-owned
24
25

program that no longer exists, and I don't know how you can answer any of that.

COMMISSIONER CUMBERBATCH: So with respect to the list that you referred to, the SAIL Away program, that's specifically DCAS. Those are, as I stated earlier, vacant undevelopable lots that are literally slivers; they could be 600 square feet. But I can get the addresses of... you know, we were trying to enumerate for you at least to give you a sense of how many of those were in your particular district and we can get those addresses. Currently, the way the law is structured we're able to sell them after they go through ULURP to the adjacent property owner and when I say vacant I mean vacant like no structure, unimproved. But we can get the addresses and work with you to see if adjacent property owners...

COUNCIL MEMBER MENDEZ: [interposing]
Mm-hm.

COMMISSIONER CUMBERBATCH: Next to those properties are interested in purchasing them.

COUNCIL MEMBER MENDEZ: Thank you.
Thank you, Commissioner Been and I see you're about to answer, but I just want to say one thing.

COMMISSIONER BEEN: Mm-hm.

COUNCIL MEMBER MENDEZ: So as I'm
looking at this...

COMMISSIONER BEEN: [interposing]
Right.

COUNCIL MEMBER MENDEZ: I don't see
Margaret Chin in there and I know she has a little
sliver of a land that's being used by a community
garden.

COMMISSIONER BEEN: Okay.

COUNCIL MEMBER MENDEZ: But the other
sliver of a land is privately owned and so and it's
just across from my district...

[crosstalk]

CHAIRPERSON WILLIAMS: Council Member?

COUNCIL MEMBER MENDEZ: That we've been
discussing because the community wants to keep it
as a garden. The owner wants to develop a can on
his small sites.

COMMISSIONER CUMBERBATCH: So what I
would need is the address of that sliver. I don't
know if it's... the title is held by DCAS or is
owned by the property owner I mean, but I can find
out from you or from the council person.

COUNCIL MEMBER MENDEZ: Okay, so it's
got two...

[crosstalk]

CHAIRPERSON WILLIAMS: And... and...

[crosstalk]

COUNCIL MEMBER MENDEZ: Slivers.
One...

CHAIRPERSON WILLIAMS: She did say also
that the list she gave is for council members on
the committee.

COUNCIL MEMBER MENDEZ: On the
committee.

COMMISSIONER CUMBERBATCH: Right.

COUNCIL MEMBER MENDEZ: Oh.

[crosstalk]

COMMISSIONER CUMBERBATCH: Right,
right.

[crosstalk]

COUNCIL MEMBER MENDEZ: Thank you,
Chair. That's helpful.

COMMISSIONER CUMBERBATCH: Right.

COUNCIL MEMBER MENDEZ: Okay, so
what... I just thought that was a complete list. I
wasn't...

COMMISSIONER CUMBERBATCH: Oh, no, no, no, no, I just did a list to you know, show you; kind of give you a sense of what's in your particular district in the program.

[crosstalk]

COUNCIL MEMBER MENDEZ: Actually I...

[crosstalk]

COMMISSIONER CUMBERBATCH: But we can provide the list to the whole council.

COUNCIL MEMBER MENDEZ: Actually I think that sliver might be in HPD's portfolio, but I'm not sure, but I'll speak to Council Member Chin about it.

COMMISSIONER BEEN: Council Member Mendez, I heard... so you raised really two very important questions, right, in terms of HPD's purview. So one is what about the buildings that were in TIL or in LAMP or in some of those old programs often owned by HSBCs? And so we, as you know, have an entire sort of property management/asset management operation that really tries to make sure that those buildings are being well maintained; you know, well financed; you know, well managed as an asset for affordable housing.

1 You are right, of course, that some of those non-
2 profits that own those buildings are you know,
3 struggling in a variety of ways and we're working
4 with those owners and we're also working as a
5 policy matter of trying to come up with financing
6 tools, shared management tools, those kinds of
7 things to make it more possible for those
8 buildings... for those owners, really, for those
9 non-profits to manage those buildings in a way
10 that's great for the tenants. So that's a program
11 that we you know, we have underway and we're going
12 to be really increasing and looking to try to
13 improve a lot of those programs and try to design
14 new tools that will give those owners opportunities
15 to band together, those kinds of things, so that's
16 in terms of the TILs and the LAMPs and the other
17 things. Now, you also mentioned the small sort of
18 irregular parcels; could we do micro units; those
19 kinds of things? I mean as you know, there are two
20 different equations here, right? One is the cost
21 of the land and the other is the opportunity for
22 financing, and the truth of the matter is that on
23 some of those parcels the clean-up costs, the
24 remediation costs, the brownfield issues, et cetera
25

1 just would make a unit of housing on that land
2 astronomically expensive, right? And so that's the
3 calculation that we do, but we try to push as hard
4 as we can for any lot that could be used as long as
5 we're not ending up paying so much for it that we
6 could've paid for two other you know, units of
7 affordable housing somewhere else for every unit
8 that we're going to build on that lot. So it's
9 really you know, a question of does this deal in
10 the end make sense for what we're going end up
11 having to pay for any units of affordable housing
12 that we can put on that piece of land. But if
13 there are pieces of land that you think we should
14 be looking at, please let me know.

16 COUNCIL MEMBER MENDEZ: And since I
17 have you here, just getting back to the HDFCs, one
18 of my frustrations has been in my community,
19 particularly with the gentrification, is in the
20 Limited Equity Cooperatives where the rules are so
21 loose there's no resale restrictions and one
22 particular co-op owner will sell I mean these
23 buildings that people work to keep affordable.
24 Some of these units are selling for \$750,000 in my
25 district and it then destabilizes the building.

1
2 Taxes go up. Those who think they can sell then
3 end up selling and moving out and the original
4 concept of trying to keep... of preserving these
5 buildings and doing the "sweat equity" to keep them
6 affordable is losing its... the people who are
7 there can do it and I... it's a frustration for me
8 and it's... you know, one of the things I'd like to
9 work on is trying to have some of these resale
10 restrictions so that these families can continue to
11 stay there and someone who sells doesn't just cash
12 out.

13 COMMISSIONER BEEN: And Council Member
14 Mendez, you are exactly right. I've been in
15 office, as I said, like eight days or been in my
16 appointed position for eight days. I've already
17 had two meetings on exactly that problem and I have
18 another one scheduled for Monday, so we are working
19 on it. We're trying to find innovative solutions
20 to tracking those units to making sure that they're
21 not escaping from the income restrictions that
22 should be applied. We're trying to work with other
23 agencies to make sure that they don't slip through
24 and sell without somebody knowing about it, so I'm
25

working very hard on this and I assure you that it is a priority.

COUNCIL MEMBER MENDEZ: Thank you very much and thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you. Council Member Cornegy, Ulrich and Torres.

COUNCIL MEMBER CORNEGY: Good afternoon. So I have a question and a statement. My question is to Commissioner Cumberbatch, but my statement is that so my community; my district under the crush of gentrification find ourselves without any developable space that's green and you mentioned that that 41 of the you know, vacant lots are in my district and there's 13 that are still available. I wondered if you knew the status. You've mentioned the slivers and all those kinds of things. We believe in the 36 that any developable land is actually a crime prevention technique, so we don't want any land undeveloped and we want to know how much of that land, whether a sliver, is available for green space development.

COMMISSIONER CUMBERBATCH: So currently, the list that you're referring to, the 41 lots that are in DCAS's portfolio, are still

1 available. That's why they're on the list and they
2 are slivers; different varying shapes. We can
3 provide addresses and they are literally vacant
4 without a structure on it. The way the law is
5 currently structured, they are to be offered to the
6 adjacent property owner in the first instance, so
7 or if there are several adjacent property owners to
8 that sliver, they could form a non-profit in
9 agreement and purchase it together and do with it
10 what... if they wanted to make a green space, for
11 example. So what I will do you know, having heard
12 from all the council people here, is provide
13 addresses for where exactly these properties are
14 located and as well as who we've reached out to;
15 who the adjacent property owners are within your
16 district to come up with some... and work with you
17 to come up with some plan on you know, can they
18 purchase it; you know, how can it be... you know,
19 either they use it or how can it be used for a
20 green space if it's around other properties.

22 COUNCIL MEMBER CORNEGY: So thank you
23 and thank you all, Commissioners, for your
24 testimony today.

25 COMMISSIONER CUMBERBATCH: Thank you.

CHAIRPERSON WILLIAMS: Council Member Ulrich and then Council Member Torres.

COUNCIL MEMBER ULRICH: Thank you, Mr. Chairman and I apologize for having to leave the room. We have another hearing next door, but I came back just in time and I tried to sit as far away from Robert Cornegy as possible 'cause he's much taller than I am. Even when I'm sitting on two pillows, he's still taller than I am, [laughter] so I... a little intimidated. Anyway, so I had a question for DCAS regarding some vacant lots in my district.

COMMISSIONER CUMBERBATCH: Yes.

COUNCIL MEMBER ULRICH: And in the prior administration we had really advanced the ball, especially after Hurricane Sandy, to transfer lots in broad channel to the Parks Department that we were concerned about being developed. They were vacant lots, some of them really not suitable for development...

COMMISSIONER CUMBERBATCH:
[interposing] Mm-hm.

COUNCIL MEMBER ULRICH: There at the end of streets...

COMMISSIONER CUMBERBATCH:

[interposing] Sure.

COUNCIL MEMBER ULRICH: That are

abutting the Jamaica Bay, as you know. I think

that we had somewhat of a preliminary agreement

regarding nine of those lots. I don't have the

numbers or you know, don't quote me on that, but

I'm almost positive that there were a few more that

were not...

COMMISSIONER CUMBERBATCH:

[interposing] That were to be transferred.

COUNCIL MEMBER ULRICH: That were to be

transferred, exactly.

COMMISSIONER CUMBERBATCH: I can look

into it.

COUNCIL MEMBER ULRICH: If you can look

into that...

COMMISSIONER CUMBERBATCH:

[interposing] Yep.

COUNCIL MEMBER ULRICH: And maybe we

can restart those conversations.

COMMISSIONER CUMBERBATCH: Yep.

COUNCIL MEMBER ULRICH: We didn't

expect the Parks Department to plant you know,

beautiful shrubs there and we didn't want them to build ferris wheels there. We just want to make sure that we can protect that land.

COMMISSIONER CUMBERBATCH: Okay.

COUNCIL MEMBER ULRICH: And actually, given the new flood maps as...

[crosstalk]

COMMISSIONER CUMBERBATCH: Right.

COUNCIL MEMBER ULRICH: As I mentioned after Hurricane Sandy, it really wouldn't be suitable because of you know, the altitude and...

[crosstalk]

COMMISSIONER CUMBERBATCH: Mm-hm.

COUNCIL MEMBER ULRICH: And the... you know, the very nature of the space, so if we can... and we had a big meeting; not a big meeting; it was a little meeting in my office, but I said it was a big meeting. We had a meeting with DCAS like two months before Sandy with Parks, DCAS in my office and me and some people from the community, Dan Mundy [phonetic] and others, and we really want to like reignite...

[crosstalk]

COMMISSIONER CUMBERBATCH: Okay, so
let's...

[crosstalk]

COUNCIL MEMBER ULRICH: That
conversation.

[crosstalk]

COMMISSIONER CUMBERBATCH: Restart that
conversation.

COUNCIL MEMBER ULRICH: Rudy, am I
right, Rudy? Okay, he's shaking his head yes, so I
said everything correct.

COMMISSIONER CUMBERBATCH: Okay.

COUNCIL MEMBER ULRICH: So and how many
lots? Rudy, do you remember? Okay, okay, only a
handful left, but...

COMMISSIONER CUMBERBATCH:
[interposing] Okay.

COUNCIL MEMBER ULRICH: It would be a
big help.

COMMISSIONER CUMBERBATCH: Okay.

COUNCIL MEMBER ULRICH: So, I'll look
to hear back from you on that, and that's it. I
think I'm the...

[crosstalk]

COMMISSIONER CUMBERBATCH: Okay.

[crosstalk]

COUNCIL MEMBER ULRICH: Shortest speaker today. Do I get the award?

COMMISSIONER CUMBERBATCH: Yes, you do.

COUNCIL MEMBER ULRICH: Okay, good. Alright, thank you.

CHAIRPERSON WILLIAMS: Thank you and Council Member Torres.

COUNCIL MEMBER TORRES: I'm not going to beat you, but thank you, Commissioners. You know, I come from the Bronx, a borough that has a high concentration of vacant land and a shortage of affordable housing, and I know there's been talk of increasing taxes on vacant land as a disincentive against unproductive use in you keeping them vacant, but I'm curious to know has as much thought been given to incentives for productive use of the land, and what I have in mind in particular is affordable housing. Are there any ideas? I know land trust is one proposal that's been put out there, but what are the various incentives or proposals for encouraging productive use of vacant land?

COMMISSIONER BEEN: So, Council Member Torres, I mean we provide subsidies to try to move those properties into affordable housing. I mean are you suggesting that... well, I'm not sure... so that is our incentive, to get those properties into an affordable housing pipeline, right? We obviously can't sort of pay over market or something like that. In fact, we do not do that and we cannot do that, but the incentive that we provide is we will help you convert your land into affordable housing. We will work with you on city subsidies and other things to get that piece of property you know, into affordable housing production pipeline. If the problem is things like brownfields or issues like that, we will work with the owner to try to get over that hurdle to try to make that possible.

COUNCIL MEMBER TORRES: And anything in regards to land... I know there are municipalities that have set up land trusts that acquire vacant land and then sell the land for redevelopment or...

COMMISSIONER BEEN: So land trust is an idea that we're looking into and I know you know, with the Attorney General's settlement on... that

there are a variety of discussions around town about land trust and it is something that we are looking into as part of our you know, new housing plan that will come out on May 1st, so I don't have details. We're still very much working those through, but it is certainly on the list of things that we are trying to figure out how we could use and use more effectively.

COUNCIL MEMBER TORRES: And congratulations on your appointment. So that's my questioning. Thank you.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: Just have a couple more questions. One, how much land is... how much land do you need to develop on? Like so if you have a vacant... I know the slivers won't be able to be used, but...

COMMISSIONER CUMBERBATCH:
[interposing] Right.

CHAIRPERSON WILLIAMS: At what point is the land developable?

COMMISSIONER BEEN: Well, that depends on a ton of things, right? it depends first of all, on the zoning and it depends upon the

different criteria that the financing program set forth, so it's a little hard to give a general answer to that. Again, if there is a specific piece of property that you think is developable, but we don't seem to be on, let me know and we'll get on it, right? We'll try to figure out what's going on there, but you know, obviously the size of the property in order to make it financeable and in order to make it feasible to build at a reasonable cost is going to depend upon the zoning constraints; the sort of envelope constraints in the zoning regulation; whether or not it's contaminated; what's next door; how much settling we would be worried about. I mean it's a huge number of factors, so I can't give you... I mean I can say if it's 10,000 square feet we're not going to look at it, right, but if it's 25,000 we might very well consider it for a two-family, three-family you know, row house type of thing depending on the zoning, but it's always this combination of zoning and other regulatory constraints, the characteristics of the land and the requirements of the financing process.

CHAIRPERSON WILLIAMS: So let me ask it in reverse. Is there a minimum amount? Like you can't build on 100 square feet.

COMMISSIONER BEEN: Right.

CHAIRPERSON WILLIAMS: So...

COMMISSIONER BEEN: No, I mean take...

[crosstalk]

CHAIRPERSON WILLIAMS: Is there a minimum amount?

COMMISSIONER BEEN: A brownstone lot 2,500 square feet is pretty much...

CHAIRPERSON WILLIAMS: [interposing]
The cut off.

COMMISSIONER BEEN: Below that we can't... you know there's really, but even then I should say you know, we're always looking for land assemblage possibilities, so if there is a 2,000 square foot lot that we can somehow manage to combine with another lot to make it bigger, we'll go for it.

CHAIRPERSON WILLIAMS: Some groups have been able to get control of small vacant lots and use them like community gardens. What is the protocol for a group that would like to do that and

1
2 does the group then own the lot or rent it? What's
3 the arrangement if they just take it and start
4 using it? How does that work for... [background
5 voice]

6 COMMISSIONER BEEN: So, I'm sorry,
7 Council Member Williams, you know I actually did
8 know this in my prior life because I did a study of
9 the effect that community gardens have on
10 surrounding property values, but I have dumped that
11 file of information somewhere along the line and I
12 apologize for that, so I don't know the details and
13 I don't want to get something wrong, but we're
14 happy to send you a letter that details all of
15 that.

16 COMMISSIONER CUMBERBATCH: My colleague
17 here in DCAS has informed me that our lots are
18 available for lease to community groups and have
19 been you know, provided to do different activities,
20 correct? And then I'm also informed you know,
21 Parks Department has a Green Thumb program and how
22 do they get those lots? Through... [background
23 voice] Yeah, I think the lots that are through the
24 Green Thumb, and obviously Parks would have to
25 speak to this directly, come you know, there are

lots that they've assembled through other agencies may have come into the program. How they have; I don't know all the details, but again, you know, DCAS's properties are available for lease too as well.

CHAIRPERSON WILLIAMS: So there's a vacant lot, a sliver or what have you...

COMMISSIONER CUMBERBATCH:
[interposing] Mm-hm.

CHAIRPERSON WILLIAMS: Empty for 10 years; a community group takes it over for another eight years. What happens at that point?

COMMISSIONER CUMBERBATCH: That's a good question. I actually don't know. I can find out.

CHAIRPERSON WILLIAMS: Please, I would love to look at...

COMMISSIONER CUMBERBATCH:
[interposing] Yeah, don't know. I mean that's... you know, takes it over through use, not through...

[crosstalk]

CHAIRPERSON WILLIAMS: Through use.

[crosstalk]

COMMISSIONER CUMBERBATCH: Any kind of... not through any kind of formal...

CHAIRPERSON WILLIAMS: [interposing]
Through use.

COMMISSIONER CUMBERBATCH: Okay, it's
probably a Law Department question, but yes, I can
find out.

CHAIRPERSON WILLIAMS: And is there any
squatter rights associated with that? No?

COMMISSIONER CUMBERBATCH: No.

CHAIRPERSON WILLIAMS: And the other
Commissioner or Assistant Commissioner have a
response to that?

COMMISSIONER BEEN: Like I said, I will
get back to you on you know, the community garden
issues from our perspective, but I'm just afraid of
giving you wrong information 'cause I've moved onto
other things, okay.

CHAIRPERSON WILLIAMS: And then my last
other questions. So we had talked about the vacant
buildings. I know that Picture the Homeless has
done some before. Has any other agency looked at
what Picture the Homeless has done and have you
done any analysis on the vacant survey that they've
done?

COMMISSIONER BEEN: So, I'm sorry, I don't know the answer to that question. That hasn't... you know, I haven't focused on that in the first eight days. I can assure you that in my prior life I looked hard. In fact, yeah, I worked with them on those issues and so I will make sure that if we haven't looked at it, which I believe that we probably have; I'm sure we have, but if we haven't we will look at it soon.

COMMISSIONER CUMBERBATCH: And I just have one... DCAS has not looked at that information from Picture the Homeless.

CHAIRPERSON WILLIAMS: Okay, well, will DCAS...

[crosstalk]

COMMISSIONER CUMBERBATCH: We...

[crosstalk]

CHAIRPERSON WILLIAMS: Look into it?

COMMISSIONER CUMBERBATCH: We will work in collaboration with our sister agencies as part of you know, the Mayor rolling out or developing a housing plan, absolutely.

CHAIRPERSON WILLIAMS: And we know that Detroit is in the process of doing a survey now and

1
2 it's unfortunately, probably a lot easier for them
3 because this is just so many, so it's easily
4 identifiable. Does the city think such a count is
5 helpful; what Picture the Homeless has done from
6 what you know of? Is it helpful? Is it something
7 that the city should officially do themselves?
8 What is the thinking of the administration on doing
9 a vacant land and.... what is it, vacant land with
10 no structure and vacant land with structure count?

11 COMMISSIONER BEEN: From our
12 perspective, yes, it is important to know that and
13 we use the tools that we can. Can we fund a survey
14 that would really nail down the question? That's
15 something that I will look into, but it is a cost
16 to really figure that; to figure out with certainty
17 whether or not something is... a building is vacant
18 or not.

19 CHAIRPERSON WILLIAMS: Do you...

20 [crosstalk]

21 COMMISSIONER BEEN: But it is important
22 information, to be sure.

23 CHAIRPERSON WILLIAMS: Do you have idea
24 would be?

25 COMMISSIONER BEEN: I don't.

CHAIRPERSON WILLIAMS: Okay, alright, so I want to say thank you again for coming out, and this is the first meet and greet and I know that for many of you it has not been long since you've been on the job. I know for a Commissioner it's been just eight days, so I want to end on a pleasant note and make this a pleasant hearing, but I will say that I do have some frustrations 'cause I believe that we asked some things that either was misunderstood or lost in communication. I'm not sure what it is, and we really didn't get to where to what I wanted to get to at this hearing and I'm hoping that we can get that information, so we may have to call back another hearing. So again, had this been a time where we had known each other for some time and we were further deeper into administration, my response would've probably been a less uplifting because it is a bit frustrating and we really wanted to get that information, but I thank you very much for coming. I think my colleague, Council Member Mendez, has a follow up question.

COUNCIL MEMBER MENDEZ: Thank you, Mr. Chair. Commissioner Cumberbatch...

COMMISSIONER CUMBERBATCH: Yes.

COUNCIL MEMBER MENDEZ: Are there any current DCAS land that's being leased for garden purposes?

COMMISSIONER CUMBERBATCH: I don't know off the top of the head. I can find that out and get back to you. Does...

[crosstalk]

COUNCIL MEMBER MENDEZ: Okay.

COMMISSIONER CUMBERBATCH: Somebody else? Does somebody here know? Yeah, we do have it? [background voice] It's possible, but let me get you the specific information.

COUNCIL MEMBER MENDEZ: Okay and the Commissioners and Assistant Commissioner, you'll get us the empty lots; what the addresses are; you'll get it to the committee and that way the Chair can get us a list and we can figure out where these properties are in our district?

COMMISSIONER CUMBERBATCH: Oh, the DCAS definitely. We'll get you the list. So there are two things. We're going to get you the list of all the addresses of the properties in the SAIL Away program...

COUNCIL MEMBER MENDEZ: [interposing]

Mm-hm.

COMMISSIONER CUMBERBATCH: And we will get you a list of any and all properties that are being leased currently for purposes of a garden; community garden.

COUNCIL MEMBER MENDEZ: Correct and we'll get the other list from HPD, any of those buildings that may be a vacant building that was in a previously owned program? Can we get that, Commissioner?

COMMISSIONER BEEN: So we don't have a list of all vacant buildings. We can tell you what we do know about buildings that may be vacant, but we have not done a census, so we do not know the whole universe.

COUNCIL MEMBER MENDEZ: Okay, and then we can tell you where our vacant buildings are at and then we can work on putting them in a program.

COMMISSIONER CUMBERBATCH: So just one point of clarification that my staff told me is that our list is not an address 'cause they're vacant lots unimproved...

[crosstalk]

1 COMMITTEE ON HOUSING AND BUILDINGS 91

2 COUNCIL MEMBER MENDEZ: So if you...

3 [crosstalk]

4 COMMISSIONER CUMBERBATCH: So it's a

5 block and lot.

6 COUNCIL MEMBER MENDEZ: So if you can

7 give us the...

8 [crosstalk]

9 COMMISSIONER CUMBERBATCH: We...

10 [crosstalk]

11 COUNCIL MEMBER MENDEZ: Block and

12 lot...

13 [crosstalk]

14 COMMISSIONER CUMBERBATCH: Yes.

15 [crosstalk]

16 COUNCIL MEMBER MENDEZ: Numbers,

17 right?

18 COMMISSIONER CUMBERBATCH: Yes,

19 exactly, right.

20 COUNCIL MEMBER MENDEZ: And we can

21 figure that out.

22 COMMISSIONER CUMBERBATCH: Okay, great.

23 COUNCIL MEMBER MENDEZ: I want to thank

24 this panel and for all the information and for

25 being here today. Thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: And thank you, Council Member Mendez, who, along with me, our first jobs were organizing tenants and housing issues, so I'm glad to have you aboard. So I'm sorry, Commissioner Been, I think you said you may have been able to get some numbers for us before the hearing ended.

COMMISSIONER BEEN: So what I can tell you is... so one question was of the approximately 1,100 of the lots that were city-owned, right, so we're talking now about city-owned lots, those 1,100 lots that we are looking to try to understand whether or not they are suitable for affordable housing development or not, they have 141 vacant buildings on those lots, so and there's a total of about 541 units in those vacant buildings, right, and those...

[crosstalk]

CHAIRPERSON WILLIAMS: So...

[crosstalk]

COMMISSIONER BEEN: Are the ones that we are looking to try to understand whether or not they could be developed as affordable housing.

CHAIRPERSON WILLIAMS: So as far as the city is concerned, there is 140 parcels of land that have structure on it that is city-owned.

COMMISSIONER BEEN: That are city-owned and that have been targeted; that have been... DCAS has said to HPD and HPD I mean we've worked in collaboration to say those are ones that might be possible for affordable housing development. There are about 1,100 and of that 1,100, 141 have buildings on them.

CHAIRPERSON WILLIAMS: So there might be some that are city-owned that haven't been targeted and there might be some that are privately owned.

COMMISSIONER BEEN: Yes, and that number I cannot give you.

CHAIRPERSON WILLIAMS: Okay, so I'm just... and I also want to be clear. What I'm hearing is that because of the miscommunication you did not have time to look at the numbers...

COMMISSIONER BEEN: [interposing] Mm-hm.

CHAIRPERSON WILLIAMS: Not that you don't have the numbers, which are two different things.

COMMISSIONER BEEN: No, I think I've tried to be clear.

CHAIRPERSON WILLIAMS: Yeah.

COMMISSIONER BEEN: We have some information about vacant buildings because we get calls, we do inspections, et cetera, right? We have never done a complete census in the way that Picture the Homeless did.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: So I can't say here's what we think is the universe of vacant property or vacant buildings, vacant land, right? I cannot...

[crosstalk]

CHAIRPERSON WILLIAMS: So you do have a number. You're not sure what it is, but that number by no means is the universe.

COMMISSIONER BEEN: Right.

CHAIRPERSON WILLIAMS: Is it the same thing for the Department of Finance?

ASSISTANT COMMISSIONER SHEARES: That's correct. We have a list of vacant buildings.

CHAIRPERSON WILLIAMS: Yeah.

ASSISTANT COMMISSIONER SHEARES: But we... I am certain that we don't have the population of vacant buildings in the city.

CHAIRPERSON WILLIAMS: Okay, thank you very much for the testimony. I'm sure we'll be talking again. I just want to say thank you for coming out.

COMMISSIONER BEEN: Thank you.

CHAIRPERSON WILLIAMS: We're going to call up the next panel. Harvey Epstein, Kendall Jackman and Sam Miller, please come up and then we will swear you in in about five minutes.

[Pause]

[background voices]

CHAIRPERSON WILLIAMS: I'm hoping the administration is leaving some staff to listen to testimony from the advocacy groups and the public, yes? Yes.

[Pause]

[background voices]

CHAIRPERSON WILLIAMS: I know that Harvey Epstein left, so I'd like to call up Barika Williams from ANHD, so we should have Sam Miller, Kendall Jackaman, Barika Williams, and we're going to start in about two minutes.

[Pause]

CHAIRPERSON WILLIAMS: Can we have Ellen Davidson from Legal Aid Society? So we have Sam Miller, Kendall Jackman, Barika Williams and Ellen Davidson from Legal Aid Society.

[Pause]

CHAIRPERSON WILLIAMS: And I'm just waiting for one other person, but in the meantime, we can do the oath, so if you'll please raise your right hand. Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today? Thank you. Now just give me about 60 seconds.

[Pause]

CHAIRPERSON WILLIAMS: Alright, I think we'll get started, so we can decide who's going to go first and we can just get started. Thank you and make sure you say who you are in the mic for the record.

1 SAM MILLER: Good afternoon. My name
2
3 is Sam Miller and I'm the Policy and Communications
4 Organizer for Picture the Homeless. We're really
5 grateful for the opportunity to address this
6 committee on the subject of vacant property, which
7 is something we've wanted to do for some time, and
8 we also want to take a moment and thank the chair
9 of this committee for his help in getting the MTA
10 and NYPD to cancel this Monday's planned purge of
11 homeless folks from the subway. No one wants
12 homeless folks sleeping on trains; least of all
13 homeless people, and we believe that strongly that
14 today's hearing is a starting place for talking
15 about real solutions, so thank you.

16 Vacant property has always been a
17 burning issue for the members of Picture the
18 Homeless. The idea of homes without people while
19 people are without homes offends common sense. For
20 our membership, vacant buildings and lots are the
21 answer to the conventional wisdom that there's no
22 housing available in NYC and that there are no
23 vacancies, while the city spends thousands per
24 month on shelter for households so that landlords
25 can make money from real estate speculation. You

1 can't fix a problem until you understand it.
2 That's why we've been advocating for an annual
3 citywide count of vacant buildings and lots. That
4 will let us see just how much housing stock is
5 being wasted. Right now, the city doesn't keep
6 track of vacant property. Counting these
7 properties is an important first step to
8 transforming them into housing for homeless people.
9 A similar census was instituted by Boston in 1997
10 and they saw their overall volume of vacant
11 property decline by 67 percent in the first seven
12 years. With the city's shelter homeless population
13 climbing towards 53,000 people, low-income New
14 Yorkers can't wait any longer for the city to take
15 real steps to end the warehousing that has kept so
16 much useable living space off the market.

18 Partnering with the Hunter College
19 Center for Community Planning and Development,
20 Picture the Homeless launched our own survey in the
21 summer of 2011 to reveal the extent of vacant
22 property in New York City. We walked every single
23 block of 20 out of the 59 community boards in this
24 city and identified 3,551 vacant buildings and
25 2,489 vacant lots. That was the information that

our previous presenters could not provide. That makes enough potential space to house 199,981 people, and that was only in one-third of the city. Contrary to claims from the prior administration that this initiative would be too complex or costly, we developed an efficient and duplicable methodology that's spelled out in greater detail in our report, *Banking on Vacancy homelessness and real estate speculation*, included in your hand-outs.

Every year an incalculable amount of money is spent as a result of property abandonment. Blocks with boarded up buildings get two to three times as many police calls for violent offenses as blocks in the same neighborhood without vacant property.

But counting vacant property isn't enough. We've identified the following additional policy changes to return them to productive use. We were heartened to hear Attorney General Schneiderman's determination to use land banks to open up vacant properties, and we're asking that the New York City land banks prioritize disposition to mission driven developers such as community

development corporations and entities that seek to create or preserve long-term affordable housing for very low, low and moderate income households, such as community land trusts. The use of community land trusts would allow for long-term affordable housing that would be regulated by the tenants that live in them. Implementing more community land trusts would allow for a shift from a profit-based housing system into a permanently resident-focused model of housing.

Soon this council will be voting on a reauthorization of the legislation that governs the Third Party Transfer program. We believe this is a crucial opportunity to ensure that property that passes through the program goes to non-profit and neighborhood-based housing development, particularly community land trusts, to make sure housing that's permanently affordable to homeless folks and other New Yorkers is developed out of vacant and partially occupied buildings.

KENDALL JACKMAN: Good afternoon. My name is Kendall Jackman. I am a member and the Housing Campaign Leader at Picture the Homeless.

53,270 homeless people in shelter;
3,551 vacant buildings; 2,489 vacant lots; 199,981
people in a third of the city; \$1 billion tax
dollars. My colleague, Sam J. Miller, gave you
these figures. I would like to discuss them with
you in a different way. \$1 billion tax dollars
used a budget for the Department of Homeless
Services. I entered the DHS system on September
21st, 2009. I moved into a supportive housing
Single Room Occupancy, SRO, unit on March 13th,
2013. For the three and a half years I was
warehoused in shelter, you could have paid my \$950
rent for a one-bedroom garden apartment in Bedford-
Stuyvesant for 12 years. Hmm... three and a half
years making a non-profit provider richer and
dehumanizing people of paying rent for 12 years in
the community with a support system that could help
you get back on your feet. To my thinking,
spending the money to house someone for 12 years in
a stable apartment makes more sense than making
someone rich who needs the money less than I need a
home. Additionally, my current housing is owned by
DHS and managed by a non-profit provider. I am now
in the underground shelter system.

147,270 homeless people that we know of in the city. Let me break this down for you. 53,270 homeless people is incorrect. DHS's daily figures do not include domestic violence shelters. So how many people are in shelter? Currently, there are at least 47,000 children living doubled and tripled up with family and friends. Each child has at least one parent, which brings this number to 94,000 people doubled and tripled up. These figures total 147,270 people, but even this is incorrect. As I said, domestic violence shelter numbers are missing. Children lucky enough to have two parents, I only counted one. The street population sleeping wherever they can. There are untold numbers sleeping in churches, mosques and synagogues. One population we do not talk about at all; those warehoused in nursing homes.

I want to take a moment to speak for the ones who have the smallest voices, our children. A child in shelter has to be shuttled back and forth to school in their home district. A six-year old has now become a pre-rush hour commuter just to get to school on time. The psychological impact on a child cannot be measured

1 until the dysfunction appears. We have a member
2 raising two toddlers in shelter. Her son, at the
3 age of six, is seeing a therapist. Really?
4 Shouldn't he be seeing a football, basketball or
5 baseball coach instead?
6

7 In our abbreviated assessment of vacant
8 property, we found enough space to potentially
9 house all of the people I mentioned above and then
10 some. Two-thirds of the city has not been counted.
11 If all the vacant property in the city was counted,
12 the real estate industry scam of not enough supply
13 for the demand would go out the window. The price
14 of housing, purchasing or renting, would go down.
15 More importantly, the 67,000 children who are
16 living a nomadic life could have a home.
17 Currently, there's a commercial playing on the
18 radio where the children are singing, "I can go
19 where my secrets are, where my things are in my
20 room." Our Community Land Trust initiative would
21 guarantee permanent, affordable housing for the
22 very least among us. We have identified the
23 problem. We, at Picture the Homeless, live it. We
24 have come up with the solutions. We have taken
25

steps one and two. Step three is to make it a reality. Thank you.

BARIKA WILLIAMS: Good afternoon.

Thank you, Chairman Williams and to the members of the Committee of Housing and Buildings for this opportunity to testify. My name is Barika Williams. I'm the Policy Director at the Association for Neighborhood and Housing Development, ANHD. ANHD is a membership organization of New York City neighborhood-based organizations; CBCs, affordable homeownership and housing groups, community organizations, supportive housing providers. Our mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers. We have nearly 100 members throughout all five boroughs, and they have build over 100,000 units of affordable housing in the past 25 years, providing housing for more than 100,000 residents.

If the committee permits, I'm actually going to add a section into my testimony that provides some of the numbers that you were looking for specifically on vacant buildings, which is not

in my written testimony, but I can get you an amended version afterwards.

CHAIRPERSON WILLIAMS: Sure, I've tried to be a little liberal with the time, so but if you can just...

BARIKA WILLIAMS: [interposing] Yeah.

CHAIRPERSON WILLIAMS: Keep that in mind.

BARIKA WILLIAMS: Yep. ANHD has done an analysis of both publically and privately owned vacant land. There are nearly 30,000 vacant lots; that's land lots in the city, accounting for more than 500 million square feet of unbuilt developable land. This is an opportunity for the city to leverage and activate some of this vacant land for affordable housing. Historically, land acquired by the city's Department of Housing and Urban Development, HPD, has formed the main pipeline of available sites for constructing and rehabilitating affordable housing. However, this pipeline is now reaching its end. There are 5,500 vacant lots of city-owned land, but only eight percent of these are owned by HPD. Some of these lots... some of these vacant HPD lots are vacant precisely because

1 they're not suitable for housing development, and
2 this analysis excludes the Rockaway Peninsula,
3 which is a different circumstance that will need to
4 be thought through in the context of storm
5 resiliency. However, land owned by HPD is not the
6 only resource for vacant city-owned land. There
7 are over 144 million developable square feet of
8 land that are owned by other city agencies. The
9 city needs to do a complete public land survey and
10 a comprehensive plan for best utilizing city-owned
11 vacant lots. Small HPD lots ill-suited for
12 development could be used for neighborhood parks,
13 while larger lots owned by SBS, the Department of
14 Small Business Services or DCAS, as you heard from
15 before, might be prime opportunities for building
16 affordable housing. I should also point out that
17 those numbers are only for lots over 10,000 square
18 feet.

19 These opportunities for both HPD owned
20 land and other city agency land can't be
21 squandered. They must be maximized for public
22 benefit through long-term ground lease of public
23 land and reinvested as affordable housing wherever
24 appropriate. Ground leasing the land would allow
25

the city to maintain control of their city property and ensure permanently affordable housing. In addition, the city should require a non-profit stakeholder in all city-owned development. These non-profit mission driven organizations reinvest funds in their community and the city overall.

Outside of city-owned land, so this is setting aside city-owned land, but there are 24,000 privately owned vacant lots; land lots in the city, accounting for more than 300 million square feet of unbuilt developable land. In some cases, these lots might not be suited for residential development; however, numerous vacant lots throughout the city are intentionally held off-market as undeveloped, and this is partly due to the testimony you heard before in regards to tax status where the vacant lots are taxed at a single-family home rate of six percent of their total Market Value. This policy has enabled landowners to sit and hold developable land off line. While unlocking the privately owned land would not likely generate 100 percent affordable housing development, it's likely that many of these owners would utilize many of the affordable housing

programs we have today, and would generate some affordable housing for local communities.

In addition, the numbers on vacant buildings; this is coming from the 2011 Housing Vacancy Survey, so this is a survey and not a comprehensive count; put the total number of vacant buildings for rent; vacant units for rent as 67,818 citywide out of a total of about 2.2 million units and the total for other vacant, so that included ownership and other opportunities at about 195,342 out of a total of approximately 3.2 million.

The housing affordability crisis continues to increase and create hardship for more and more residents across New York City. It's imperative with the increasing rent burden that we continue to find ways to address this. I'd like to thank the committee for allowing me to talk today.

ELLEN DAVIDSON: Good afternoon. My name is Ellen Davidson. I'm a staff attorney with the Legal Aid Society, and the Legal Aid Society represents low-income New Yorkers in many, if not most areas of the law, both through direct services and law reform and I come to testify, and I'm going to summarize, about something that you already

1 know, which is the affordability crisis that we're
2 facing in New York, but I think it's important at
3 any moment that there is an open record about what
4 needs to be done that we keep talking about the
5 crisis. I've been testifying in front of this body
6 for years, and every time I write testimony it is
7 just astounding that I come and talk about how much
8 worse the affordability crisis has gotten for my
9 clients, who are the lowest income New Yorkers.

11 So we know record homelessness; it's
12 absolutely correct that the count that DHS does is
13 not the only count of homeless people in New York,
14 but it's at absolute record bearing heights just on
15 the official count. There have been stagnant low-
16 income wages, prices continue to rise; housing
17 related hardships and related social costs continue
18 to rise. It is absolutely the case that if
19 children and families are not in permanent housing
20 that the effects that this has; homelessness has on
21 health and education and other related factors. It
22 just is incredibly devastating for families.

23 Per capita residual income, which is
24 the household income that remains per household
25 member once rent is paid, has dropped 10 percent

over six years. In 2011, 61 percent of New York's low-income rent households paid over half of their income toward their rent. That was 46 percent in 1999. I mean the crisis continues and it has gotten increasingly acute, and we need to develop more affordable housing that is targeted at the lowest income. We, unfortunately, as Chair Williams mentioned in his email when he invited us all to this hearing, we can't completely develop our way out of this crisis. We need to look to preserve low and moderate income housing that we already have, including the Mitchell-Lama program and Project Based Section 8. Although not exactly the topic of this hearing, we have been urging all of our friends in the council to consider creating a city Section 8 program. Massachusetts has their own Section 8 program that helps provide affordable housing for their residents that is separate and apart, though modeled on the federal program and we think that in order to get deep affordability we urge the city to consider creating their own voucher program, and we strongly endorse the idea of changing the tax incentives so that there is no longer an incentive for owners to keep property

2 vacant, and thank you so much for inviting me to
3 testify. I look forward to hopefully a long
4 collaboration with this committee and this
5 administration, which I may add, my boss just
6 became a member of and becoming Commissioner of
7 HRA, which we are incredibly excited about.

8 CHAIRPERSON WILLIAMS: Congratulations.

9 ELLEN DAVIDSON: Yeah, well,
10 congratulations to the city. [laughter] Steve
11 Banks is going to be...

12 [crosstalk]

13 COUNCIL MEMBER MENDEZ: And condolences
14 at the same time.

15 ELLEN DAVIDSON: Yeah, exactly. We
16 have some challenges ahead, but we are excited for
17 them.

18 CHAIRPERSON WILLIAMS: Thank you. Just
19 for the record, we already submitted to the
20 Sergeant-at-Arms for the record Katie Goldstein
21 from Tenant and Neighbors statement and we'll be
22 also submitting Harvey Epstein for Stabilizing NYC
23 or Urban Justice Center. Thank you for the
24 testimony. I just wanted to make clear a couple of
25

1 COMMITTEE ON HOUSING AND BUILDINGS 112

2 things. So Barika, there are over 5,500 vacant

3 lots of city-owned land...

4 BARIKA WILLIAMS: [interposing] Mm-hm.

5 CHAIRPERSON WILLIAMS: And there are

6 24,000 privately owned vacant lots.

7 BARIKA WILLIAMS: Correct.

8 CHAIRPERSON WILLIAMS: Does that have

9 buildings on it or it doesn't have buildings on it?

10 BARIKA WILLIAMS: Those are vacant land

11 lots, so that's no...

12 [crosstalk]

13 CHAIRPERSON WILLIAMS: Okay.

14 [crosstalk]

15 BARIKA WILLIAMS: Buildings. That's as

16 defined as considered vacant by the city's own

17 PLUTO data.

18 CHAIRPERSON WILLIAMS: So how did you

19 get these numbers?

20 BARIKA WILLIAMS: Using the city's

21 PLUTO data, which is the data that...

22 CHAIRPERSON WILLIAMS: The what?

23 BARIKA WILLIAMS: PLUTO data, P...

24 [crosstalk]

25 CHAIRPERSON WILLIAMS: PLUTO?

[crosstalk]

BARIKA WILLIAMS: L U T O, PLUTO data,
so...

CHAIRPERSON WILLIAMS: [interposing]
Okay.

BARIKA WILLIAMS: Database of every
single city parcel in the city. What they deem as
vacant is whether or not there is a structure on a
lot at all, so that's why many times when we do the
data and we say vacancy we're talking about is
there a building or is there not. The only regular
or widely accessible and not by Picture the
Homeless who goes out and right, we go out and
knock on doors and look at buildings every... every
few... well, not even few years when you gobble it
together, is housing vacancy surveys, so that's
done every three years as a part of the U.S.
Census, so the numbers for vacant buildings is from
2011 and that's 67,800 vacant buildings as...

[crosstalk]

CHAIRPERSON WILLIAMS: Sorry, before we
get to the buildings, do you have a spreadsheet or
did you... from where you culled the data that you
submit?

BARIAK WILLIAMS: We ran a data analysis in-house, so I can get you that spreadsheet.

CHAIRPERSON WILLIAMS: Yeah, it seemed fairly simple to get, so if you have it and the city didn't I'm trying to figure out why it was difficult to get in this short period of time, so how long did it take to get that data?

BARIKA WILLIAMS: Well, ANHD has the 20... well, the 2013 PLUTO data is accessible via DCP's website and so it's a matter of running...

CHAIRPERSON WILLIAMS: [interposing] So that was City Planning.

BARIKA WILLIAMS: So City Planning has the data as a part of their PLUTO GIS data, so it was running the data tables from that. It's running records of every single parcel in the city, but...

CHAIRPERSON WILLIAMS: Okay.

BARIKA WILLIAMS: Yeah.

CHAIRPERSON WILLIAMS: And then what were the numbers you said with the structures with buildings on them?

BARIKA WILLIAMS: Structures with buildings; that's a different data source. That's 2011 Housing Vacancy Survey, 67,818 vacant for rent.

CHAIRPERSON WILLIAMS: And those are buildings or units?

BARIKA WILLIAMS: The Housing Vacancy Survey is I think units. I think that's units and then 195,342 units that are vacant and not for rent, so that might be for sale or condo.

CHAIRPERSON WILLIAMS: Is it private entity owned?

BARIKA WILLIAMS: Yep, it's across the board.

CHAIRPERSON WILLIAMS: Okay and the other analysis from DCP that was private or city-owned?

BARIKA WILLIAMS: The 24,000 number is privately owned and the 5,500 number is city-owned.

SAM MILLER: I'd just like to add if I may, as Barika mentioned, there is a staggering amount of data that the city does gather, and our report *Banking on Vacancy* does outline some of the ways in which there are like limitations on what

1 the data that the city gathers and the ways that
2 they do or don't share it with each other, so
3 that's part of like as we saw with earlier
4 panelists, there's a lot of information out there,
5 but it's not being pulled together and coordinated
6 into a holistic picture of what vacancy looks like
7 in New York City.

9 CHAIRPERSON WILLIAMS: So I mean you
10 heard the response to the city. I'm giving them
11 the benefit of the doubt because that is a very
12 young administration, but from my experiences
13 before this administration, we got similarly not as
14 good responses. What, in your opinion... I mean
15 why are they just not pulling this data together,
16 which seems to be easy to get and getting the same
17 results?

18 BARIKA WILIAMS: I would say from my
19 understanding if you were asking about vacant
20 buildings I don't... my understanding is that there
21 isn't a city agency right now charged with looking
22 at that, which is one challenge, so HPD is thinking
23 about affordable housing development, so that's
24 new development and preservation, but they're not
25 necessarily thinking about a privately owned

1 COMMITTEE ON HOUSING AND BUILDINGS 117
2 building that is being held off line and doesn't
3 have code violations.
4 [crosstalk]
5 CHAIRPERSON WILLIAMS: Well, who does
6 the HVS?
7 BARIKA WILLIAMS: The...
8 [crosstalk]
9 ELLEN DAVIDSON: The H...
10 [crosstalk]
11 BARIKA DAVIDSON: The federal
12 government, right?
13 ELLEN DAVIDSON: The federal, yeah, and
14 the HVS is the survey that is done to figure out
15 what the vacancy rate is...
16 CHAIRPERSON WILLIAMS: [interposing]
17 Yeah.
18 ELLEN DAVIDSON: Every three years, so
19 it's the Census Department does a sampling survey
20 of all units in the city.
21 CHAIRPERSON WILLIAMS: But they also
22 had trouble getting numbers of privately owned
23 land, which you seem to have also.
24 BARIKA WILLIAMS: Yes, so we have that
25 from PLUTO data. Now, the PLUTO data is a

combination of data from a number of different sources, as we said. I don't know whose charge that would be in terms of city agencies because it is privately owned land. The data combines...

[crosstalk]

CHAIRPERSON WILLIAMS: Okay.

BARIKA WILLIAMS: Finance and City Planning.

CHAIRPERSON WILLIAMS: And Sam, has any of the... has the administration period ever reached out to Picture the Homeless to find out and discuss your methodology and discuss with you the numbers and the data that you found?

SAM MILLER: The previous administration did not. We are eager to speak to the current administration about that, and I'd like to second I think that Barika is a 100 percent right. There is not a current entity that considers itself responsible for conducting a count of vacant buildings and lots, whether is actually walking the streets to identify them and/or to collate existing information, and that's why we continue to advocate and to urge the City Council to pass legislation around conducting an annual

citywide count of vacant buildings and lots, so as to gather what data is out there and to gather what data needs to be gathered.

CHAIRPERSON WILLIAMS: Mm-hm. And have any of you had experiences with any city administered programs related to vacate properties? If so, which programs and what was your experience and did it work or not work?

BARIKA WILLIAMS: I'm somewhat familiar with the city's TPT, Third Party Transfer Program, which then I believe that Commissioner Been spoke about, which is the transfer of city... what has become city-owned property because it went through a lien and now it is now transferred to a third party to be developed. I know one of the concerns that ANHD has had is whether or not those Third Party Transfers are primarily going into for profit development opportunities and whether or not community development and community groups also have an opportunity to access that program, but I think that's something we're eager to work with on the new administration.

CHAIRPERSON WILLIAMS: Anyone else?
No. I think we have some questions from Council

Member Rosenthal, and I have to run across the street, so I want to ask Council Member Mendez... who left? She left?

COUNCIL MEMBER MENDEZ: [off mic] No, I'm here.

CHAIRPERSON WILLIAMS: Oh, Council Member Mendez. Alright, she... when Council Member Rosenthal is finished, as a ranking member, she can now take over until I get back. Thank you.

COUNCIL MEMBER ROSENTHAL: Thank you very much. I really want to thank you all for coming and the hard work that you're doing. It's obviously incredibly important and I hope this administration... I expect this administration will closely with you with the data that you have. I wanted to pick up on just two points very quickly, just as an opportunity to learn a little bit more. The Third Party Transfer program, do you think it would be possible... what would we have to do to give first priority to not-for-profit organizations that want to develop the land?

BARIKA WILLIAMS: My understanding is that would just be a shift within administration.

COUNCIL MEMBER ROSENTHAL: For public policy.

BARIKA WILLIAMS: It's just a shift within the administration procedures. If the administration chose to take that direction it could happen with no legislation and no involvement with the state or Albany.

COUNCIL MEMBER ROSENTHAL: Right, right.

ELLEN DAVIDSON: There have been...

[crosstalk]

SAM MILLER: The...

ELLEN DAVIDSON: There have been in the past programs for... we used to have in the city a lot of buildings that had been abandoned and HPD went through a number of programs; TIL, Third Party Transfer...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Mm-hm.

ELLEN DAVIDSON: Neighborhood Entrepreneurs. I don't remember what the P stood for, NEP, and there were ones that focused on for profit and one that focused for not-for-profit and then HDFCs, but you know the programs have... there

1
2 are less and less... the pipeline has dried up a
3 bit, so it'd be great to come up with an... because
4 for years there were abandoned buildings and I
5 think now we're looking at there are both abandoned
6 buildings, but also building on land, which makes
7 it probably a more complicated and has to be a you
8 know, more thought out program, but the statutory
9 authority is there to do the programs. They just
10 have to plug in.

11 COUNCIL MEMBER ROSENTHAL: Okay.

12 SAM MILLER: And with regards to the
13 Third Party Transfer program, I'd like to add that
14 while the administration does carry out the Third
15 Party Transfer program, that is authorized by
16 legislation that the City Council is actually going
17 to be considering for reauthorization within the
18 month, so...

19 COUNCIL MEMBER ROSENTHAL:

20 [interposing] Oh.

21 SAM MILLER: So if you're interested in
22 the Third Party Transfer program prioritizing
23 housing development to non-profit housing
24 developers, community land trust and low-income
25

housing, that's going to be in your court very soon.

COUNCIL MEMBER ROSENTHAL: Could you sent me follow up information about that? I'm really...

[crosstalk]

SAM MILLER: Absolutely.

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Interested. I mean obviously, the committee, but if you could copy me on that as well I would appreciate it. And then secondly, the idea about city Section 8 vouchers is really interesting to me. Have you done any analysis of the cost of what that would be and also...

ELLEN DAVIDSON: [interposing] Right.

COUNCIL MEMBER ROSENTHAL: The availability... mm... what we could do to grow availability because a big problem in my district is privately owned... privately operated homeless shelters, where you know, we're wasting money hand over fist and if this could be a viable option. I'm really interested in looking at that.

ELLEN DAVIDSON: I mean we just started talking about it, but I have looked at the data from both NYCHA and HPD about the average cost of their vouchers, which is less than \$3,000 that the city pays private landlords to warehouse homeless families, so I can't imagine that it wouldn't be because of that, because we have infrastructure already set up to run the voucher program so through NYCHA and HPD both run voucher programs. Figuring out how to add extra vouchers wouldn't be... it wouldn't be like starting up a program from the bottom up. We also have somewhat of an infrastructure to administer it. So you know, I'm not... it wouldn't be a cheap program, but it would be cheaper than what we currently have, and considering the fact that the problem with the \$3,000 amount; I mean there are several problems. One of them is we're overpaying landlords, but the other problem is it gives the landlords incredible incentive to get rid of their current tenants...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Maybe who pay less than \$3,000 and often are paying less than \$3,000.

1 COMMITTEE ON HOUSING AND BUILDINGS 125

2 COUNCIL MEMBER ROSENTHAL: \$3,600.

3 ELLEN DAVIDSON: \$3,600.

4 COUNCIL MEMBER ROSENTHAL: Yeah.

5 ELLEN DAVIDSON: Yeah, it's...

6 COUNCIL MEMBER ROSENTHAL:

7 [interposing] Painful.

8 ELLEN DAVIDSON: It's created terrible

9 situations.

10 COUNCIL MEMBER ROSENTHAL: Yeah, so do

11 you think there might be... again, I'm

12 interested...

13 [crosstalk]

14 ELLEN DAVIDSON: Yeah.

15 [crosstalk]

16 COUNCIL MEMBER ROSENTHAL: In learning

17 more. Do you have any information...

18 [crosstalk]

19 ELLEN DAVIDSON: Yeah, well...

20 [crosstalk]

21 COUNCIL MEMBER ROSENTHAL: To send me?

22 [crosstalk]

23 ELLEN DAVIDSON: I... we can send... we

24 can send...

25 [crosstalk]

COUNCIL MEMBER ROSENTHAL: Great.

[crosstalk]

ELLEN DAVIDSON: Some out to you.

COUNCIL MEMBER ROSENTHAL: And do you
think...

[crosstalk]

KENDALL JACKMAN: Excuse me, can...

COUNCIL MEMBER ROSENTHAL: Please.

KENDALL JACKSMAN: As someone who's
been warehoused, in shelter, it's \$3,500 a month
for a general population and if you are considering
substance abuse or some medical conditions \$4,300 a
month, so I don't think that someone renting a
building; a non-profit provider renting a building
with anywhere from 50 to 100 women in the building
need that much money to rent a building. They're
not paying the staff that much, the food is not
that great, so \$1,000 per person, which will leave
you \$2,500 for a rent subsidy. It doesn't...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Well...

[crosstalk]

KENDALL JACKMAN: Cost that much to rent a building. If you have 100 women in the building at \$3,500 apiece a month.

COUNCIL MEMBER ROSENTHAL: Yeah.

KENDALL JACKMAN: You know, so you can cut the cost for shelter 'cause they're not spending all that money on providing services.

COUNCIL MEMBER ROSENTHAL: Well, that's...

[crosstalk]

KENDALL JACKMAN: Most of it's going in their pockets, so the difference can go into a rent subsidy program, and as I said, they pay between what they pay to warehousing and pay for my storage, I could've stayed in my apartment instead of being in a shelter, so there is enough money in the system to take some of that money out, put it towards vouchers and still have a system in place for those folks who still need shelter until we get enough housing for everybody.

COUNCIL MEMBER ROSENTHAL: So that's exactly where I was going and you said it much more eloquently than I ever could, and I guess what I'm wondering and perhaps there are other experts who

1 know more about this, but what the capacity is
2 because what's missing is the supportive housing
3 piece and 'cause we don't want to warehouse people
4 and frankly, we don't want to give somebody a
5 voucher just to randomly go into any apartment
6 either. I mean people are homeless for a reason
7 and the city should be providing assistance in
8 every way possible, whether it's healthcare or
9 education or job... you know, looking for jobs,
10 whatever it might be and so I'm wondering about
11 capacity for serving this population. Was that a
12 fair thing to say or...
13

14 KENDALL JACKMAN: Not everybody in
15 shelter needs supportive housing.

16 COUNCIL MEMBER ROSENTHAL: Okay.

17 KENDALL JACKMAN: You have a lot of
18 folks who are working retail, fast food, home
19 health aides. One of my roommates was going for
20 her Ph.D. as a clinical psychologist. She made the
21 mistake of marrying the wrong man and when she...

22 [crosstalk]

23 COUNCIL MEMBER ROSENTHAL: Yeah.

24 [crosstalk]
25

KENDALL JACKMAN: Divorced him, trouble started.

COUNCIL MEMBER ROSENTHAL: Yeah.

KENDALL JACKMAN: You have a lot of elders whose...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Right.

[crosstalk]

KENDALL JACKMAN: Pensions or Social Security or SSI or SSD is not paying for it.

COUNCIL MEMBER ROSENTHAL: Yep.

KENDALL JACKMAN: So everybody in shelter does not need supportive housing. We just need affordable housing. As you know, the wages in this city; no one can live in this city the way rents are, so if we build permanently affordable housing that covers folk with zero to 30 percent AMI, you can clean a good part of the shelter system. DHS posted stats I believe in December where it says 72 percent of head of households in family shelters were working before they became homeless.

COUNCIL MEMBER ROSENTHAL: Yeah.

KENDALL JACKMAN: So you have a large workforce living in shelter. They just can't afford to live in this city.

COUNCIL MEMBER ROSENTHAL: Yep, yep. Thank you so much.

COUNCIL MEMBER MENDEZ: Thank you. I want to thank you for all the research you're doing. Now, you were here when the different Commissioners were talking about what's vacant property; what's a vacant land. When you were doing your research you're using a lot of the city data, was it... did you find it in the way that they're saying or you just looked through their databases and then have to actually do the street research to verify what's vacant land and a vacant building?

SAM MILLER: Yeah, the short answer is yes, although the longer answer is that we actually submitted 18 law requests to different city agencies 'cause we know that many city agencies capture a lot of the information that we want and many were very helpful and responded with a great deal of information and many were not, so that's

why we had to... that's one of the reasons why we had to do actual citywide...

[crosstalk]

COUNCIL MEMBER MENDEZ: Can you tell me what city agencies were helpful and which ones were not or just tell me which city agencies you foiled.

SAM MILLER: There's a full breakdown of who we respond... of who we asked and how they responded in your packets, but the...

[crosstalk]

COUNCIL MEMBER MENDEZ: In the packet?

[crosstalk]

SAM MILLER: But the short version is...

[crosstalk]

COUNCIL MEMBER MENDEZ: If it's in the packet, then it's okay. I won't... we'll go through it. Thank you. 'Cause we got several more panels, so I want to make sure I give everyone an opportunity to give their testimony.

KENDALL JACKMAN: And I just wanted to add on, when we walked... I mean I heard one of the Commissioners say so... I believe it was the Commissioner of Finance, a lot of the vacant

property we found were over commercial space, so the problem is is that landlords can make their tax money and/or their other bills on the commercial space so they're warehousing the vacant building above it. So we counted all of those vacant warehouse apartment buildings over retail space because you're not using what we need in this city. You're using what you need.

[crosstalk]

COUNCIL MEMBER MENDEZ: So they're renting the retail space, but they're keeping the apartments and...

KENDALL JACKMAN: Right. When I was doing presentations after we did the report, I used to tell people when you go past the Duane Reade or Walgreens or one of those stores, look up.

COUNCIL MEMBER MENDEZ: Mm-hm.

KENDALL JACKMAN: Most folks usually don't 'cause they see the ground floor occupied, but then when you start to look up you'll realize that there are a lot of boarded up abandoned apartment buildings in this city.

COUNCIL MEMBER MENDEZ: Okay, thank you.

1
2 BARIKA WILLIAMS: And then in terms of
3 our data, the Housing Vacancy data is up on the
4 Census website and it's published there. There are
5 summary tables by borough and by year built of
6 housing and various different things, so it's
7 publicly accessible at pretty much any point in
8 time after it's published. There are additional
9 slices of the data that you might try to do that
10 would take some analysis and some work, but the
11 bigger summary questions do not, and in terms of
12 the PLUTO data after a push by community planners,
13 PLUTO data is now... the city PLUTO data is now
14 publicly accessible. It previously wasn't I think
15 prior to 2013. I think that's right.

16 COUNCIL MEMBER MENDEZ: There's other
17 PLUTO out there besides the planet that's no longer
18 a planet?

19 BARIKA WILLIAMS: There is, there is.

20 COUNCIL MEMBER MENDEZ: Which...

21 BARIKA WILLIAMS: It's very... it's...
22 oh, who remembers what PLUTO... PLUTO, Public Land
23 Use... it's an acronym for something.

24 [crosstalk]
25

COUNCIL MEMBER MENDEZ: But... but
aside from the one that DOB uses, there's other
PLUTO out there?

BARIKA WILLIAMS: So the PLUTO data is
a combination of data by block and lot for almost
every property in the city from various different
city agencies, so it's got everything from your tax
classification to your FAR to your buildable square
foot to whether the number of residential units,
number of commercial units. It's kind of got the
full slate of information for every single block
and lot of city land period owned by anybody and so
from that is where we pulled whether lots; land
lots are vacant, not buildings. That's data that
DCP now makes accessible; previously didn't make
accessible.

COUNCIL MEMBER MENDEZ: Thank you, and
Miss Davidson, I don't know what to tell you
besides giving you my condolences and
congratulations at the same time. [background
voices] Okay, Council Member Rosenthal has a quick
follow up and then we're going to go to our next
panel.

COUNCIL MEMBER ROSENTHAL: Thank you.

I appreciate that. I'm wondering if ANHD has researched the reasoning or done any reports on why private owners might leave their land vacant or underutilized. Do you have a breakdown of... you know, people are doing it, I know as is the case in my district, for emotional attachment or because it's a good tax... a good... you know, you can leave it there and you're not going to have to pay a lot of taxes, so you're waiting for improvements. Have you done a breakdown of why private owners might do this?

BARIKA WILLIAMS: We haven't done a breakdown I mean in part, because to do that would require getting survey responses from private...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: Yeah.

[crosstalk]

BARIKA WILLIAMS: Landlords who are not required to report very much to us at all, but I will say that from various different conversations with our groups on the ground we know that the reasons range, so in some cases about half of the city... half of... 40 percent to 50 percent of

1 those vacant buildings are rent stabilized, so I
2 think there's a very clear issue of concern right
3 there around property owners and landlords just
4 holding things out of rent stabilization via
5 vacancy decontrol. I think we know that there are
6 issues around holding land as vacant to take
7 advantage of the different tax rates in the city,
8 so I think that there's a number of different
9 issues and they kind of range somewhat community by
10 community, but...

12 SAM MILLER: If I may, that corresponds
13 precisely to our own findings. It's a wide range
14 of reasons, but it's impossible to have these
15 conversations with landlords, but I will also add
16 that in, for example, nine of the 20 community
17 boards that we surveyed, we found nearly 6,000
18 units that are rent stabilized, so that's just one
19 piece of the full city, but it's a significant
20 number of rent stabilized units that are being kept
21 empty by landlords.

22 ELLEN DAVIDSON: Because remember that
23 if a landlord... you know, after four years,
24 tenants aren't allowed to claim overcharges because
25 there's a statute of limitations that tenants have

1
2 to complain about a rent within a period of time,
3 and after four years whatever the landlord claims
4 the rent is, he's sort of home-free to claim that
5 rent. So there's a huge incentive and there have
6 been recent articles about landlords breaking
7 people's kitchens and bathrooms to get them out so
8 that they can have vacant apartments in the times
9 in recent... couple days.

10 COUNCIL MEMBER ROSENTHAL: And how long
11 if the apartments are vacant is there a period of
12 time... if they're vacant for more than a certain
13 period of time they become...

14 ELLEN DAVIDSON: It's not so much about
15 how long the apartment is vacant, but a tenant has
16 four years to complain about an overcharge claim
17 and if they don't complain within four years, then
18 the rent that the landlord charged cannot be
19 challenged.

20 COUNCIL MEMBER ROSENTHAL: Okay, thank
21 you.

22 COUNCIL MEMBER MENDEZ: Thank you. I
23 want to thank this panel for their testimony. The
24 next panel is Christie Peale from the Center for
25 New York City Neighborhoods; Claudia Wilner from

1 New York City Community Land Initiative; Juan
2 Santiago from TIL Tenants ANCP Program and from my
3 district; Alexandra Hanson from NYSFAH and I'm
4 going to have the next panel ready on deck and the
5 next panel after this one, while this gets ready,
6 is Rachel Breitman from one of the TIL buildings;
7 Susannah Dyen from Alliance for a Just Rebuilding;
8 Matthew Rowland, Election Protection/Lawyers'
9 Committee for Civil Rights Under Law and Margaret
10 Becker from Legal Services, New York City. That is
11 the second panel. Once again, Rachel Breitman;
12 Susannah Dyen; Matthew Rowland; Margaret Becker,
13 you are the second panel. [background voices] Are
14 you all ready? Okay, so I have to swear you in.
15 If you could all please raise your right hand. Do
16 you swear or affirm to tell the truth, the whole
17 truth and nothing but the truth today? Thank you.
18 Tomorrow is another question. Thank you.
19 [laughter] Whoever's ready, please grab the
20 microphone and just make sure that the little red
21 light is on and identify yourself for the record.

22
23 Good afternoon and thank you. My name
24 is Claudia Wilner and I'm Senior Staff Attorney at
25 New Economy Project and I'm here today to testify

on behalf of the New York City Community Land Initiative, which is an alliance of social justice and affordable housing organizations, academics and urban planners committed to securing housing for all New Yorkers. We believe that land is a common good and housing is a human right. Housing should be for people and not for profit, and decisions about land and housing quality should include all community members and should prioritize people with extremely low incomes who are homeless or otherwise in dire need of housing and not served by the private market.

I'm going to summarize the testimony today 'cause we've been here for a while and I know there's more people that need to speak, but we obviously have a huge housing crisis in New York City. People have been speaking about this very eloquently. We see vacant properties as a key part of the solution to the affordable housing crisis and particularly the opportunity that those properties can first be identified and then converted into affordable housing. And one way that we think has the potential to create permanently affordable housing; real affordable

housing that's affordable even for people at the lowest income levels is to create community land trusts, and we think that the vacant property is really... they are a key part of the potential for the community land trust. The combination of vacant properties with occupied buildings that are currently serving very low income people that are in danger of you know, becoming not occupied because they're not financially sustainable now, those types of properties can be combined together and become affordable. So we are really committed to exploring with the city, the council and the administration opportunities for creating community land trusts in New York City and our organization is currently working on building a pilot project in East Harlem that will show exactly how this can be done now with existing resources, and I point out that there is one community land trust in this city already. It's the Cooper Square Land Trust and Cooper Square MHA, which is on the Lower East Side, and for decades they have been providing quality housing to low-income people at an extremely low cost. There are households in Cooper Square; a lot of them are making 40 percent of the Area Median

Income and they have affordable apartments on the Lower East Side that people are paying \$400, \$500 rent, so this is something that's very possible for us to do and achieve in New York City.

We want New York City to do everything in its power to first identify vacant properties, to publish a list of those properties so that community members are aware of them and can help determine what to do with them, and to convert those properties to affordable housing or to other important community uses, ideally by creating land trusts or other forms of non-speculative and democratically controlled and community led ownership of land.

Our specific recommendations include revising and passing Intro 48 with vacant property count bill. The existing... so we believe is a first step that we have to have; an idea specifically of what are the vacant properties that are out there, but the current legislation doesn't include buildings that are partially occupied or such as what we've been talking about where the ground space commercial floor is rented, but the residential properties are vacant and so it's going

1 to need a little bit of amendment, and we'd be
2 happy to work with the council on how the bill
3 should be amended to make sure that all properties
4 are counted. We're very interested in reforming
5 the Third Party Transfer program, and we do think
6 that there are things that the City Council can do
7 to help make sure that properties moving through
8 that program are going into the hands of non-profit
9 community-based developers that will have the
10 ability to create permanently affordable housing.
11 And we also think the council and the city should
12 consider creating a land bank, which might have the
13 ability to take title to and hold vacant properties
14 and then transfer them, for example, to community
15 land trusts or something similar, which would be
16 able to hold and manage the land in perpetuity for
17 the benefit of the community. And we... I'll just
18 point out quickly that although there's existing
19 land bank legislation in New York City, it needs
20 significant work we think because it doesn't do
21 enough to create affordable housing that's
22 affordable at the very low end of the income scale.
23 We also think that that bill could have unintended
24 consequences of promoting more segregation and more
25

gentrification and again, it's something that we're happy to work with the City Council on to create a bill for a proposal for a land bank that would really facilitate the creation of truly affordable housing. And I didn't want to go into a lot of details about land trusts now, but I'm happy to answer more questions about them if you have them or at a later time.

COUNCIL MEMBER MENDEZ: Thank you.

We'll save all questions for the end, but before we go to the next person to give testimony, I just want to see who's here representing the city.

[background voices] DCAS? You're... Mayor's Office? [background voice] Finance. HPD? So you're Mayor's Offices. No one exactly from HPD, okay. Thank you. Thank you. Next person, please.

JUAN SANTIAGO: Yes, good afternoon.

My name is Juan Santiago. Thank you, Council Members and actually I am a little saddened that HPD is not here because I am here to give testimony as I see other sides from the administration; from the agencies that are trying to make this happen, but my voice is the voice of those that are living in situations where we have been promised by HPD

1 that our properties will be rehabbed and going back
2 to our buildings as HDFCs and this promise has not
3 been fulfilled. In 1994, my building, 204 Avenue A
4 in District 2, where Council Mendez is
5 representing, we entered into the TIL program, the
6 Tenant Interim Lease. It was supposed to be an 18-
7 month program where the Tenants Association was to
8 demonstrate the capability of administering and
9 make the HDFC... the future HDFC a success. It's
10 2014 and that has not happened.

12 In 2008, the 190 buildings that
13 remained in the TIL program were broken into two
14 groups. 30 of those buildings became what is known
15 now as the ANCP, the Affordable Neighborhood
16 Cooperative Program. My building was selected
17 through the criteria that still you know, we could
18 be heralded as an example for those buildings that
19 were moving in through the pipeline. That process
20 was supposed to take three years approximately and
21 yet, nothing has happened.

22 On top of that, what is really
23 disheartening is that when this whole process
24 started I was a young man and now my hair is
25 turning gray and I see my neighbors dying because

nothing is being done, and we have been shut out of all possible conversations with HPD regarding the possibilities of making these HDFC promises a reality. On top of this, now we have turned into a policing unit for HPD because we have to be on the look out of the possible squatting situation that these vacant buildings have become, people that are not from our communities, communities that we have been an integral part of and that now we have found ourselves strangers around our own you know, familiar grounds.

We also see change, especially in District 2, of all kinds of you know, developments and we ask when is it going to be our turn? When are we going to be acknowledged and when is this promise going to be fulfilled? Churches are disappearing to become you know, condominiums. Warehouses are disappearing you know, to become you know, dorms for NYU and yet, our buildings you know, nothing is being done for them.

204 Avenue A has commercial units as well as residential units and it's completely empty. The criteria for these 30 buildings is that all of the units in these buildings are vacant, a

number that obviously you know, Miss Been was not able to provide you.

So I ask of the council you know, to shed light on this situation; not to forget us because we have seen many tragedies in this city and funds have come and gone to remedy this situation, but our tragedy is 20 years in the making. Thank you.

ALEXANDRA HANSON: Good afternoon. My name is Alexandra Hanson and I'm here representing the New York State Association for Affordable Housing or NYSAFAH, which is the trade association for New York's affordable housing industry statewide. I would like to thank Chair Williams and now Council Member Mendez in his place and members of the committee for the opportunity to testify today on the issue of vacant properties.

So just a little bit about us. NYSAFAH is the trade association for New York's affordable housing industry statewide. Our 300 member include for profit and non-profit developers, lenders, attorneys, investors, architects and others active in the financing, construction and operation of affordable housing.

NYSAFAH commends the chair and the committee for calling this hearing to examine the issue of vacant properties. Vacant properties; whether buildings or lots; are a blight on communities. Vacant properties offer increased opportunities for crime, are magnets for illegal dumping and subsequent rodent infestations create a drag on surrounding property values and inhibit private investment in the block and surrounding areas. As a result, concentration of vacant properties adversely impacts the quality of life for neighborhood residents. In addition to the harm they do to residents, vacant properties also strain municipal resources. More police are needed to address the increased crime levels, additional sanitation is required to address trash pile up and communities see reduced investment, with tax revenues from these vacant properties insufficient to cover their real cost to the city.

High levels of vacancy are generally seen in neighborhoods that are economically distressed and often struggle to attract private investment, so prioritizing affordable housing investment for mixed income, mixed use development

in economically distressed communities will help catalyze developments of vacant lots and preservation of properties that are in distress.

In addition to decreasing the number of vacant properties and their adverse impacts and providing affordable housing, these areas will also experience the greatest benefit from an infusion of affordable housing dollars, creating one-time construction related jobs and spurring ongoing commercial and economic activity to support new and existing residents.

New York City has existing tools to incentivize affordable housing on vacant land. One is the current process of prioritizing city-owned vacant land for affordable housing and awarding it through a competitive RFP process. The awarding of vacant land at well below market value is a powerful tool at the city's disposal to not only subsidize affordable housing development, but also to transform plots that are often a blight on communities to resources that address the critical shortage of affordable housing. The city should do an assessment of all vacant land and not just land held by HPD to identify and prioritize suitable

1 sites for affordable housing, and these sites
2 should be awarded through the competitive RFP
3 process to projects that best meet the city's
4 affordable housing and community development goals.
5

6 While the negative impacts of vacant
7 properties are felt in communities throughout New
8 York City, the reality is that land is becoming a
9 scarce resource when faced with the critical need
10 to develop more affordable housing within the five
11 boroughs. Zoning is another important tool that
12 the city possesses to maximize the value of this
13 land and extract as many affordable units as
14 possible out of it. Exploring opportunities for
15 additional upzonings in areas of high concentration
16 of vacant properties will help facilitate much
17 needed affordable housing development. While not
18 directly targeted at vacant land, looking at
19 innovative ways of approaching zoning to facilitate
20 more affordable housing development will better
21 position the city and its affordable housing
22 development community to unlock the potential of
23 its vacant land and best serve the needs of
24 residents.
25

And ultimately, whatever strategy the city employs to deal with vacant land, at its core should be the commitment to supporting communities. A commitment to mixed income affordable housing will help diversify the economic base of communities while still supporting affordable homes for low-income residents, while supporting a mixed use development is also critical to ensuring that residents have access to retail and community facilities necessary to build strong, thriving communities.

NYSFAFH looks forward to working with the council to achieve the goals of tackling the challenge of vacant properties to benefit New York City's communities and I would like to thank the chair and Committee on Housing and Buildings again for the opportunity to testify today and for consideration of NYSFAFH's comments. Thank you.

CHRISTIE PEALE: Good afternoon, Council Member Mendez. My name is Christie Peale. I'm the Executive Director of the Center for New York City Neighborhoods. I would like to thank Chair Williams and the members of the Housing and Buildings Committee for holding today's hearing on

the issue of vacant properties in New York City and for inviting us to testify.

At the Center for New York City Neighborhoods our mission is to promote and protect affordable and sustainable homeownership in New York City. We focus on the neighborhoods hardest hit by foreclosure and now doubly hit by Hurricane Sandy. We work with a hub of 37 network partners who provide housing counseling and legal services throughout the five boroughs and we leverage public and private resources to ensure that homeowners have access to the highest quality foreclosure prevention services.

A number of the issues in our testimony have been addressed and I just wanted to focus a little bit on how to prevent vacancy, while we also think about how to address it once we identify it. As you may know, the foreclosure crisis has been a major driver of vacant and abandoned properties, both nationwide, as well as in the city. Nationally, around 20 percent of properties in the foreclosure process have been vacated, and it's estimated by Realty Trac that 10,000 vacated homes are in foreclosure in New York City, and I wanted

1 to emphasize the source of that and I'll return to
2 that in a little bit. Although you know, our
3 economy has slowly reemerged from the foreclosure
4 process and the 2008 recession, in New York City,
5 we are still very challenged. There are over
6 30,000 homeowners that are still stuck in the
7 process, so we spend a lot of time working with
8 them to make sure that they can stay in their homes
9 and that they can stabilize the communities and
10 help prevent vacancy.
11

12 So the three things that wanted to talk
13 about today are supporting foreclosure prevention
14 services, identifying and monitoring vacant
15 properties and at-risk properties and ways that we
16 can support affordable homeownership opportunities
17 to reinvest in communities. So we think that the
18 best strategy for combating foreclosure related
19 abandonment is to prevent foreclosures in the first
20 place. As you probably know, you can reach our
21 services by dialing 3-1-1 and the sooner that
22 homeowners contact us, the better our chances are
23 of preventing a foreclosure and any ultimate
24 abandonment, and in fact, the Furman Center
25 analyzed data from our network and saw that

homeowners that engage with our services are 30 percent to get a modification, and our modifications give homeowners around \$1,000 a month more in income to help preserve their homes and put food on the table.

We've worked with over 30,000 homeowners since we started in 2008, and what we've found is that there are a lot of myths in the foreclosure process that we really want to bust and highlight some issues that people don't necessarily realize, and one of them is that the average homeowner assisted by our network makes \$47,000 a year, which is below 100 percent AMI. So homeownership in New York City is not just a solution for communities with very high net worth. It's something that we really need to fight to preserve for the LMI families across the city as well.

So we would not be here without the council, so I would be remiss in not thanking the council for its strong partnership in our fight against foreclosure, but I also wanted to talk about how we can you know, support what was mentioned by Picture the Homeless and some of other

1 panelists today who talk about identifying vacant
2 properties and the data that we have at our hands
3 that can help to do that. I think it's really
4 important to have a widely understood definition of
5 what vacancy and abandonment is. You know, those
6 of us who have been working on foreclosure
7 prevention know that banks and servicers often use
8 vacancy as a reason not to modify for a homeowner,
9 so I think it's really good to make sure that we
10 know that when we're saying a property is vacant or
11 abandoned that we all understand what that means,
12 and that's just an aside caution note that I wanted
13 to emphasize. But doing an annual count of vacant
14 properties would be incredibly helpful. In
15 addition, thanks to the council last year, Local
16 Law 4 allows HPD to collect a tremendous amount of
17 data for mortgage servicers, including when to
18 commence, discontinue or receive a judgment of
19 foreclosure and it also requires servicers to
20 inform HPD when a receiver is appointed, when a
21 receiver hires a managing agent or a property
22 management company is hired, and so we think that
23 this data could be used to monitor when properties
24 and foreclosure become vacant and could be very

1 helpful to help us forestall properties going into
2 REO and leverage the use of land banks and land
3 trusts to get properties into affordable
4 opportunities earlier. We really don't want to see
5 properties get physically distressed before those
6 of us in the affordable housing community want to
7 work to bring them back to healthy and safe use.
8 You know, when they've been stripped and abandoned
9 they get mold and it costs so much more for all of
10 us to redevelop, so the earlier we can help
11 homeowners, the better, but the earlier we can get
12 properties in responsible hands, the better as
13 well.

14
15 And then finally you know, there is a
16 huge community of homeowners out there that want to
17 be responsible landowners and you know, maintain
18 their properties, so we want to make sure that the
19 city works to support other opportunities for
20 affordable homeownership. We think that you know,
21 homeowners; neighborhood residents; responsible
22 homeowners are the ones who should be taking
23 advantage of opportunities and not speculators, as
24 was highlighted in a recent article in *The New York*
25 *Times* about the securitization market backing the

1 acquisition of foreclosed homes and converting them
2 into rental properties. We also think the support
3 of downpayment assistance program is a way to
4 leverage that very good intention by homeowners to
5 invest in their communities, so any investment in
6 both pre-purchase counseling and downpayment
7 assistance can really leverage that great
8 intention. So there's additional detail in our
9 testimony, but again, thank you for the opportunity
10 to testify and we look forward to working with you
11 on these and any other ideas.

13 COUNCIL MEMBER MENDEZ: Thank you very
14 much. First, Miss Wilner, you had a lot of
15 interesting testimony and you referenced an
16 organization in my district that has long roads and
17 has been working very diligently to address these
18 issues and coincidentally, I got texted by other
19 MHA, the Lower East Side people of Mutual Housing
20 to wish me a Happy Birthday, but even with the
21 Mutual Housing Associations they're having issues
22 now and I'm working with them on tax problems.
23 Either some of them are coming out of certain tax
24 programs or they're trying to get into some of them
25 so they can keep the rents affordable and one of my

1
2 other Mutual Housing I'm having the issues that the
3 commercial, which were local businesses and were
4 affordable rent, now the taxes are going up and so
5 instead of passing it onto the residents, they're
6 giving it to the commercial and so here are these
7 local businesses who now can't afford to stay there
8 'cause they can't afford to pay their taxes. And
9 in the audience is one of my community leaders, who
10 has worked on one of the first land trusts, so what
11 I'd like to do is maybe we have a meeting and talk
12 about some of these issues and talk about what went
13 right or wrong with land trusts and we can talk
14 about all these fascinating ideas to make sure
15 whatever issues we encountered before we don't
16 encounter them when we replicate the model. Miss
17 Peale, when you mentioned most of your homeowners
18 are making \$47,000 annually, you're talking your
19 average homeowner is a family of...

20 CHRISTIE PEALE: I believe that's based
21 on the 3.4.

22 COUNCIL MEMBER MENDEZ: 3.4?

23 CHRISTIE PEALE: I can get you the
24 exact number.

COUNCIL MEMBER MENDEZ: Okay, again, thank you all for your testimony. Some of you I think I'll personally be following up with you to do some figuring how it affects us, not just in the city, but in my district and Mr. Santiago, I mean I know a little bit of your history. When I came into office, the TILs were moving forward and we were taking care of some of these issues and you know, I just thought everything was moving along, I guess as you thought, until more recently when you met with me. You informed me that there was no money for your program and when we went and looked we found out that the last administration actually zeroed out that program. You said you've been in this from '94 and it's now 2014.

JUAN SANTIAGO: That's correct.

COUNCIL MEMBER MENDEZ: But for the record, you were in that building and they removed you and the other tenants in order to renovate the building and what year was that?

JUAN SANTIAGO: That's 2006.

COUNCIL MEMBER MENDEZ: In 2006 so...

JUAN SANTIAGO: [interposing] Yes.

COUNCIL MEMBER MENDEZ: That was exactly the year I came into office.

JUAN SANTIAGO: Yes.

COUNCIL MEMBER MENDEZ: So they moved you out eight years ago to renovate it and you're still waiting.

JUAN SANTIAGO: Correct.

COUNCIL MEMBER MENDEZ: And prior to your moving out, the residents there were managing the building?

JUAN SANTIAGO: Correct.

COUNCIL MEMBER MENDEZ: And you have a commercial unit you mentioned?

JUAN SANTIAGO: Yes, we have two commercial units.

COUNCIL MEMBER MENDEZ: And those were being rented at the time?

JUAN SANTIAGO: Absolutely. We were not even charging the market rate and we still were able to you know, have a savings of over \$100,000 managing the property, right.

COUNCIL MEMBER MENDEZ: Well, a lot of the work that was done by my predecessor and a lot of my friends who have lived in this community way

longer than I did, you... like I said earlier, you and a whole bunch of other people were the ones who saved our neighborhood and kept the buildings alive by staying in there and doing the work and fixing them and now that gentrification has come, we're all being pushed out. I will work, as I told you, to see what happens under the new administration, but you know, the city made a promise and I'm going to work to ensure that they keep that promise and that we can get you back into your building before any more of your neighbors pass on.

JUAN SANTIAGO: Thank you very much.

COUNCIL MEMBER MENDEZ: Okay, I want to thank this panel for their testimony and if you forgot, I'll just call your name for the second panel now. Rachel Breitmen; Susannah Dyen; Matthew Rowland; Margaret Becker and on deck after this panel will be Paul Segal from 596 Acres; Gregory Todd from Green Phoenix Permiture and Cathy Dung from CAAAV Organizing Asian Communities and Mr. Liu from Chinatown Tenant Union CAAAV. You will be on the panel after this one. [background voice] Okay and I'll just call the final panel, which will be two panels from this one, just so you know, is

Robert S. Altman, Queens Bronx Building Association and Building Industry Association; Charles Krezell from LUNGS Loisaaida United Neighborhood Gardens and Ayo Harrington from LUNGS. You are the last panel and if anyone still wants to give testimony and have not done so, you could see the Sergeant, fill out one of these little forms and you will be able to give your testimony today. Okay, I see... I see, hold it, someone's missing. Rachel Breitmen is here; Susannah. Matthew is not here. I did that by deduction. Just by looking out at you, [laughter] I realized Matthew was not there. I'm really good, right? Okay, can't... [background voice] Yeah, can someone... Paula, want to join us on this panel? Paula? Great. Okay, whoever's ready can start giving their testimony and please remember to identify yourself for the record and hold it. I forgot we got... this... you know what? This is really cute 'cause I did this when I first got into office and I don't do this anymore 'cause everybody... just come and sit down... 'cause we all want to get to the testimony, but anyway, now you all can raise your right hand and do you swear

or affirm to tell the truth, the whole truth and nothing but the truth today? Thank you.

RACHEL BREITMEN: Hi, my name is Rachel Breitmen and I thank your committee and Chair Williams and the Honorable Rosie Mendez, who's my city council person for District 2. I currently live in a TIL building and we've been in the program for over 20 years and we're still waiting to receive our rehab and to be converted to HDFC. We also house relocated tenants from other buildings that are quote unquote "in the pipeline," which Mr. Santiago, who testified earlier, is one of my neighbors. We've been grateful to have him as a neighbor, but we feel for him because he's been out of his home for over eight years and while that's a hardship for him and his tenants, it's also a hardship for us because that means the faster they get back into their building, the more buildings can move into the queue from the 160 TIL buildings that remain waiting.

I'm just going to read a quick excerpt from a letter that I submitted to City Councilperson Mendez and Councilperson Williams; Chair Williams. In 1995, when we agreed to begin

the transition into the TIL program, HPD made the promise that as a result our building would receive full rehabilitation, and then we would become an HDFC cooperative. Over the past 20 years, we have worked extremely hard to organize and maintain a strong Tenants Association. We have put years of "sweat equity" into the building, adhering to all TIL program requirements and have spent day and night to ensure our building was managed successfully in preparing for becoming an HDFC cooperative. We have experienced double hardships over the years and continue to persevere with the goal of becoming cooperators one day very soon. However, after 20 years, we are still at a standstill without any clear date of when and how HPD will honor their promise. Both TIL and ANCP buildings are in limbo and have been for years. As an example, we currently have relocated tenants from buildings in the pipeline that have been with us for over four years, and their buildings are nowhere near starting rehab. The relocation rehab process should take no more than 12 to 18 months at most. This is a clear indication that the remaining TIL ANCP buildings are not a priority.

1
2 As we have housed many relocated tenants over the
3 years and with such a slow turnover, these delays
4 directly affect our eligibility to be put in the
5 pipeline as well. I have met with HPD over the
6 past few years, requesting information as to when
7 we will be put in the pipeline and what we could do
8 to help accelerate our buildings place on the list.
9 We suggested that we would be willing to seek out
10 our own funding or bringing community partners from
11 the public and private sector to help move us and
12 any other willing buildings along, and we have
13 never gotten a favorable response, so we continue
14 to wait and comply with all the requirements of the
15 program.

16 A few weeks ago, we came to learn that
17 there are major budgetary and key staffing changes
18 taking place at HPD, TIL and ANCP. We have not
19 been informed as to how these changes will affect
20 the TIL and ANCP initiative. We are hearing very
21 unnerving information that the TIL program is not
22 being adequately funded in 2014, and there is a
23 lack of commitment from HPD TIL to complete their
24 obligation to the remaining 160 buildings, nor do
25

we know how these changes could affect the additional 30 in the ANCP pipeline.

We are asking for your assistance to help clarify the city and HPD's intentions when it comes to our and the remaining 190 buildings. We have been working extremely hard over the past 20 years and believe that we are ready to move towards becoming an HDFC, and we ask for a clear commitment and understanding of how and when this will take place. Thank you very much.

MARGARET BECKER: Just to explain the map, so no one has to wonder what the map's about anyway. Thank you for the opportunity to testify. My name is Margaret Becker. I'm Director of the Disaster Recovery Unit at Staten Island Legal Services and prior to that I was Director for many years of the Foreclosure Prevention Unit there. Staten Island Legal Services is a part of Legal Services NYC, on whose behalf I'm testifying today.

As Chair Williams mentioned in the beginning, it's important to think not just about the current stock of vacant properties, both public and privately owned, but also to prevent future abandonment and vacancies. The foreclosure crisis,

1 as Christie Peale mentioned, left many abandoned
2 and forgotten properties in New York City. Some of
3 these properties were abandoned by the homeowners,
4 who, on receiving the initial foreclosure notice,
5 felt that they no hope of saving the home and left.
6 Others of these properties are post-foreclosure
7 bank-owned properties, REO properties, but then
8 there's an enormous number of properties that fall
9 what you might call somewhere in the middle and
10 these are properties that the homeowner has vacated
11 after receiving preliminary foreclosure notices,
12 but the bank has not completed the foreclosure
13 process, and this is very, very common that these
14 properties sit either through neglect or by
15 intention in the bank's foreclosed or soon to be
16 foreclosed portfolio.

18 Now, after that, Hurricane Sandy, of
19 course, added to the city's vacant land problem.
20 Many homeowners were pushed out of their home and
21 now many displaced homeowners struggling with the
22 burden of a mortgage and rent are and will be in
23 increasing numbers falling into foreclosure.
24 Compounding this problem further is another coming
25 wave of property abandonment that may be not widely

1 understood yet in the New York City community, and
2 that is the abandonment that's going to be caused
3 by skyrocketing flood insurance costs. As
4 certainly most people have heard, the federal
5 government is eliminating subsidized flood
6 insurance premiums. This means that any homes in
7 flood zones that are not elevated will face
8 skyrocketing flood insurance premiums, and by
9 skyrocketing I mean they will move from a few
10 hundred dollars a year to \$10,000 or more per year.
11 So the consequence of this is that these properties
12 will not only be unaffordable, they're going to be
13 unmarketable. So in that circumstance, a homeowner
14 has no escape from foreclosure, right? They can't
15 sell their property. They can't make the mortgage
16 payments including the new flood including the new
17 flood insurance problem, but likewise the bank that
18 acquires that property through foreclosure can't
19 sell it either. So we need to really be alert to
20 this problem.

21
22 Now, in addition, Zone A, the flood
23 insurance hazard zone in New York City, is about to
24 double. When the Preliminary FIRM Flood Insurance
25 Rate Maps are adopted in 2015, the number of

homeowners hit by these insurance requirements is going to double, so it's an enormous, enormous problem and that's where this map comes in. It's meant simply as a quick illustration. It's a small sampling to illustrate that our coastal communities that were flooded, indicated in green, are communities... many of them are communities of low and middle income homeowners and so you can see Brighton Beach, Canarsie, College Point, down in Staten Island Midland Beach, New Dorp Beach. These are not wealthy communities. These homeowners and the small landlords in these communities desperately need help to elevate their homes to escape these rates and not only for their own good, but for the good of these entire communities, which will otherwise become riddled with vacant property. The current Build It Back storm recovery program of the city will be offering elevation assistance to a very few of the roughly 20,000 current registrants, but of course, that doesn't include all of the people who didn't register. Of those 20,000 probably no more than 10 percent will receive elevation. This is a crisis that the council

really needs to pay attention to and help us build solutions for the good of the entire city.

Now, the fourth area of vacant land that I hope you'll consider is that that is soon to be acquired by the city, again, through the Build It Back program, the acquisition for redevelopment program. Again, we urge... you know, the city has not yet determined how these properties will be developed and we urge the council to include these properties in a comprehensive plan for redevelopment and repurposing of vacant land. Now, that plan we hope will include the following critical components: First is local community input and control over the ultimate use of those properties. A non-profit land bank to hold these properties as well as potentially distressed debt to prevent properties from going into foreclosure in the first place, and to acquire privately owned vacant properties and there are opportunities that exist right now to do that I think, as was mentioned earlier, you know, taking advantage of the Attorney General's recent settlement with Chase Bank, among other similar opportunities.

1
2 Third, as many others have said, we
3 strongly support a preference for community land
4 trusts as the means of achieving lasting home
5 affordability. Community land trusts you know, as
6 has already been discussed, offer a viable tested
7 model, not only for large buildings like the
8 current Cooper Square land trust in Manhattan, but
9 for scattered site properties similar to what we're
10 going to be seeing vacant in storm affected
11 neighborhoods that were acquired through the
12 development. Examples of scattered site small
13 housing in a community land trust exist currently
14 in the Dudley neighborhood community land trust in
15 Massachusetts; the Burlington community land trust
16 in Vermont. This is a working model for all types
17 of structures.

18 Now, and fifth, going back to the list
19 of components that I think is critical is a vacant
20 property survey of vacant land in Sandy damaged
21 communities because in addition to the foreclosure,
22 there are currently many, many, many abandoned
23 properties in these Sandy communities that present
24 current health hazards, but also need to be
25 considered in a plan to redevelop. These

properties, some of them are not permanently abandoned, but you know, methods can be developed to determine which have been and which have not been...

[crosstalk]

CHAIRPERSON WILLIAMS: If you can also you know, just be mindful of the time 'cause some people are waiting...

[crosstalk]

MARGARET BECKER: Okay.

[crosstalk]

CHAIRPERSON WILLIAMS: As well.

MARGARET BECKER: Alright, yeah, I'll be very quick. For the acquisition of the storm damaged properties through Built It Back, we hope that you will assure lasting affordability through these kind of means like community land trusts, but also consider something like a right of return, giving displaced homeowners or residents of these communities a first right to come back because people have roots and we should respect those roots. And again, please, please work with the administration to develop real solutions to this looming affordability crisis. Thank you.

SUSANNAH DYEN: Thank you for having me here today. My name is Susannah Dyen and I am the Policy Coordinator for the Alliance for a Just Rebuilding. We are a coalition of over 40 organizations, ranging from labor unions to worker centers, community grassroots, faith-based, environmental and policy organizations advocating for a just and equitable both short-term recovery and long-term rebuilding in the wake of Superstorm Sandy. Our member organizations collectively represent some of the most vulnerable New Yorkers in the areas most affected by Superstorm Sandy across the five boroughs. They include low-income homeowners and renters, public housing residents, day laborers and undocumented immigrants.

Superstorm Sandy impacted nearly 76,000 buildings, which is over 300,000 housing units throughout the five boroughs and the Sandy survivors, as Meg said, continue to struggle to meet their basic needs and the slow rate of recovery is placing more and more people at risk as they wait for aid. We are starting to see the wave of foreclosures and bankruptcy in Sandy affected neighborhoods for some of the reasons that Meg

1 highlighted. These foreclosures coupled with
2 people walking away from severely underwater
3 mortgages will leave the city with an incredible
4 amount of vacant land.
5

6 Superstorm Sandy has exasperated an
7 already tight affordable housing market that's been
8 spoken about earlier. In fact, many of the
9 neighborhoods impacted were some of the last
10 affordable areas in the city. A clear plan must be
11 developed to create and deal with this newly vacant
12 land. We strongly advocate for the city to build
13 deeply affordable housing on this land and when
14 possible create local ownership models and
15 structures. I think it's important to note that
16 there are concerns about rebuilding in flood plains
17 and that's true and that exists, but newer housing
18 did far better than older housing because it's up
19 to new and updated building codes, which provide
20 safety for those living there. We also believe
21 that by leveraging federal relief and rebuilding
22 funds that we'll be able to see this once in a
23 generation opportunity to rebuild this city to be
24 more equitable and affordable for all New Yorkers.
25 Thank you.

PAULA SEGAL: Hello, Chair Williams and the committee. My name is Paula Segal. I'm the Director of 596 Acres. We are new York City's community land access advocacy organization. So thank you so much for opening up the conversation about vacant properties in New York and for giving me the opportunity to speak.

I'm going to focus my remarks on vacant land in New York City and I'm really glad that other folks are here to discuss the opportunities presented by other types of vacant property, and I'm going to take a quick detour from my printed testimony 'cause it's full of numbers and I just want to give you a sense of where those number come from. Some of my colleagues spoke about the PLUTO database, which it actually stands for Primary Land Use Tax Lot Output, which is important because that database is most accurate when talking about properties for which somebody paid taxes, and when we get into the murky territory of city-owned land, which doesn't appear on the tax roll, it's important to look at other available data sources. The council, in 2011, as part of an urban agriculture initiative, actually passed a law that

created a very helpful spreadsheet that exists on NYC Open Data that is a list of all of the city-owned and leased properties. It's a helpful starting place. There is also on the Open Data Portal, the OASIS database, which is what...

[crosstalk]

CHAIRPERSON WILLIAMS: Sorry, what was the name...

[crosstalk]

PAULA SEGAL: DCAS uses...

[crosstalk]

CHAIRPERSON WILLIAMS: Again of the list; where's the list?

PAULA SEGAL: It's if you look at NYC Open Data and just search for Local Law 48 of 2011. It doesn't actually have a different title. It just is the spreadsheet that came out of that law.

CHAIRPERSON WILLIAMS: [interposing]
Local Law Number 11 you said?

PAULA SEGAL: Local Law 48 of 2011. Important to get that right 'cause there's a 48 in every other year as well. And so what we did is we took those two spreadsheets that are freely available on the Open Data Portal and actually

1 looked at what is classified as vacant by the
2 different agencies that produce those datasets;
3 compared them to one another; came up with a set
4 that we... came up with a formula that we thought
5 was pretty good given the accuracy of that field;
6 created our own dataset and then actually had
7 somebody manually look at the shapefile, which is
8 available on OASIS for each of those parcels. Our
9 goal is to identify vacant lots that are city-owned
10 that present opportunities for neighborhoods. So
11 we wanted first of all, to take out all the
12 community gardens because the Department of Finance
13 and the Department of City Planning both classify
14 lots that are community gardens as vacant land. A
15 community garden is an incredible resource, but
16 it's not an opportunity for someone to come in and
17 start a garden; start a park; build a building. It
18 is an existing institution and needs to be looked
19 at differently. So we took out the gardens. We
20 also took out anything that you couldn't get to.
21 We took out anything that didn't have street
22 frontage or that you know, was land locked within a
23 block. We took out little tiny gutter spaces,
24 which can sometimes seem quite large because they
25

1 run the whole block, but it's just like two inches
2 going the whole block. That's not actually a
3 place, right? So we took that out. It was quite a
4 bit of work. In my printed testimony, there's a
5 reference; it's a footnote... I'm sorry footnote
6 one if you want to read actually and get the
7 references for exactly that data process, it's
8 there in footnote one.

10 So that's where I'm coming from and I'm
11 going to give you some of the numbers that the
12 Commissioners who were here earlier today couldn't
13 give you, and I'm also going expand my field a
14 little bit from what my colleague from ANHD was
15 talking about. She was talking about buildable
16 lots that are over 10,000 square feet. We look at
17 every single bit of city-owned land that somebody
18 could use for something, so we start at about 100
19 square feet, right? Anything smaller than 100
20 square feet you can't really stand in, but a 10 x
21 10, that's a place. So I'll go from there, and
22 I'll divide my comments into and make
23 recommendations for three distinct types of vacant
24 land just found in our neighborhood: vacant lots
25 in the city portfolio, privately owned vacant lots

and lots that are going to be acquired by the city in the neighborhoods impacted by Superstorm Sandy, to follow up on Miss Becker's testimony.

Starting with city-owned vacant lots, so across the five boroughs there are...

CHAIRPERSON WILLIAMS: [interposing]
I'd ask you also to be mindful of the time as you're going through it.

PAULA SEGAL: Sure and you have... and everything else I'm going to say is printed, so stop me whenever you're ready. So throughout the five boroughs there are approximately 540 acres of city-owned vacant land. That land is divided among different agencies with the bulk of it in the inventory of DCAS, HPD and SBS. DCAS has about 300 sites on over 113 acres that fit our definition of what a vacant lot that presents an opportunity is. Some of those slivers that you heard the Commissioner referring to earlier are 7,500 square feet. That's not a sliver. That's a place and that's a place that's collecting garbage where it could be something better. The MTA has an additional 99 acres of vacant land in New York City, and while they're not a city agency per se,

their vacant land impacts New Yorkers in much the same way.

Our primary work is identifying opportunities for New Yorkers to shape their neighborhoods and facilitating the transformation of city-owned land into community spaces is a big part of this. In the last two years, 20 groups we worked with in Brooklyn, Manhattan and Queens have gotten permission to change five acres of weeds into play spaces, vegetable bounties and other community resources. Some of these groups have direct agreements with city agencies that allow them to use the land and others are licensed through the Green Thumb program, either as a temporary interim use space that remains in the jurisdiction of another agency or as a group managing a lot that has been transferred to the Parks Department. We are working with approximately 120 other groups who are exploring the potential for transformation latent in 52 acres of vacant lots in their neighborhoods.

We've been able to find lots that are good candidates for such transformation because they're too small to build on, as we heard about

before. The modern building code requires 30 feet of frontage, so a 25 x 100 square foot lot only has 25 feet. If you're going to build on that you need a barrier. 100 Quincy Community Garden in Bed-Stuy, which was formed last year, is one lot which was formerly in Housing Preservation and Development's inventory that fits this description. St. Nicholas Miracle Garden in Harlem, which was a school garden in the 1930s and then became a sliver in the Department of Citywide Administrative Service's portfolio for half a century before becoming a garden again last year, is another one. These transformations are a testament to the fact that not all the land in the city's portfolio presents a future opportunity for housing development.

CHAIRPERSON WILLIAMS: So I wanted to ask if you can summarize because we have it in writing, which I appreciate.

PAULA SEGAL: Yes.

CHAIRPERSON WILLIAMS: And I appreciate the information you gave that we didn't have in writing, but if you could summarize now that would be fantastic.

PAULA SEGAL: That'd be good. I just want to make a... so community gardens are something we're can talk about these transformations and these opportunities. Something we haven't talked about today at all is how to incentivize private owners to make their land available to the neighbors of the lots that they own, so I just want to direct your attention to the middle of the second page and as we know, most of the land in New York City is privately owned; 2400 acres of vacant privately owned land in the city. We would strongly suggest that the council consider partnering with the state and the Department of Finance to create an incentive for those owners to actually make the land available to the neighbors in a tax abatement program modeled on the not-for-profit tax abatement program that already exists would be one way to do that. It's a proposal that is a good companion proposal to raising taxes on vacant warehoused land that's not serving a public benefit, while at the same time incentivizing the land that is.

CHAIRPERSON WILLIAMS: Thank you all very much for the testimony. I'm sorry for the

ones that I didn't get to hear. It's just interesting and I'll ask you. It's interesting that the city didn't seem to have... and I'll take them from their word that they didn't hear what we asked, but they didn't seem to have a lot of information. Just any idea as to why you think that is; that the advocates seemed to get so much more information than what the city actually has?

PAULA SEGAL: Can... can I answer this? So the city agencies that are in charge of actually managing the parcels; the places and space; the places in our neighborhoods are not the ones that are the best at handling the data and so... and those... there doesn't seem to be any place in our city government where those two things talk to each other, so our Open Data Portal is managed by DoITT, right? It's managed by the Department of Information and Technology. Information that's in the Portal supposedly comes from the agencies, but as we know, HPD hasn't submitted anything to the Portal. I believe it was the Sunlight Foundation published a scorecard last year, and most of the agencies are doing okay...

CHAIRPERSON WILLIAMS: [interposing]

Mm-hm.

PAULA SEGAL: In terms of making their information transparent. HPD has submitted nothing and I only have to think that it's because it actually isn't in anybody's job description. There can't be somebody working at HPD who's doing that bad a job. So that seems to be part of the problem. The other part is that a lot of this information is buried in spreadsheets that when you output it takes some work to translate them and you really need to understand what the goal is, right? So what we're using as a definition of vacancy is different than what Picture the Homeless is using and it's different from what ANHD is using because we have different goals in mind, and that's something that the city agencies really need to agree on.

CHAIRPERSON WILLIAMS: Thank you. I had one question for Legal Services Staten Island, and I had heard that with the insurance there was a grace period that people can update before it skyrockets and then I heard that that date had

passed. Do you... is there a date where people can get grandfathered in basically or is that over now?

MARGARET BECKER: There's no simple answer to that question. For some people there is a grace period. For many people there is no grace period, so anybody who didn't... I won't go into the details of dates. I can provide that all later if you'd like, but for anybody who didn't already have flood insurance by a certain point who is now in a flood zone, they don't have a grace period. For people who lost a flood insurance preference because they filed two claims; one for Irene and one for Sandy, they lost their subsidy, so for some people they are currently under the Biggert-Waters Flood Insurance Reform Act. It's supposed to be a five-year phase in period. That's being debated in Congress, but the rate hits are already hitting. I have a client who was paying \$1,300, which is already a high rate. His jumped in January to \$7,500 a year, so everybody doesn't have a grace period, and even for those that do it's you know.

CHAIRPERSON WILLIAMS: So who does? What's the criteria for people who do have it?

MARGARET BECKER: People have a grace period if they had flood insurance prior to July 6th, 2012 when... or June 6th, 2012 when Biggert-Waters was enacted or they had insurance prior to being brought into a flood zone, so the people who are in that doubling of the flood zone if they had insurance prior to that occurring, in 2015 they will also have a five-year grace period.

CHAIRPERSON WILLIAMS: I'm sorry, if they had flood insurance in the zone that will be doubled, so they'd have had to purchase the insurance before it's enacted.

MARGARET BECKER: They have to purchase insurance now as people in the X Zone...

CHAIRPERSON WILLIAMS: [interposing]
Okay.

MARGARET BECKER: The safer zone, in order to get the benefit of that five years when they become the A Zone...

[crosstalk]

CHAIRPERSON WILLIAMS: Oh, so that...

[crosstalk]

MARGARET BECKER: ...in 2015...

[crosstalk]

CHAIRPERSON WILLIAMS: Just gives you a five-year grace period basically.

MARGARET BECKER: Yeah, if you have insurance before you're brought into the flood zone, yeah, you can benefit from the Biggert-Waters five-year grace period, but as I said, it's not a five-year grace period before the rates hit. It's a 20 percent per year increase in the premiums and it's not... as I initially misunderstood, it's not 20 percent of the initial premium. It's 20 percent of the end, so if the end is \$10,000, your first increase is a \$2,000 a year increase, which for low and middle income homeowners is unsustainable, so.

CHAIRPERSON WILLIAMS: I know that Council Member Torres has some questions. I understand that Council Member Torres was first.

COUNCIL MEMBER TORRES: And I just want to follow up. So you said there is a need for a standardized definition of vacant land. I'm just curious what are all the... what are the... no, am I... did I misunderstand? [background voices] Because you said each agency and then each private organization seems to have its own definition of vacant land, so some definitions include community

gardens, which strikes me as intuitively odd. From what...

[crosstalk]

PAULA SEGAL: Well, so that... yep, that definition is Planning's definition.

COUNCIL MEMBER TORRES: Yep.

PAULA SEGAL: The Department of City Planning.

COUNCIL MEMBER TORRES: Okay, so I don't know. Should we strive for just a uniform definition of vacant lands across city agencies so that we're all on the same page? I don't know if that's like something...

PAULA SEGAL: Yes, but I would hesitate... I mean from my perspective yes.

COUNCIL MEMBER TORRES: 'Kay.

PAULA SEGAL: I heard my colleague over there whisper yes. I don't know how that would impact people who are working on transforming vacant units of housing into places that people can live, so I hesitate a little bit.

COUNCIL MEMBER TORRES: Well, what would you consider the right definition of vacant land?

PAULA SEGAL: Oh, well, the definition that we're using.

COUNCIL MEMBER TORRES: Okay.

PAULA SEGAL: If it's a parcel that doesn't have anything on it that isn't actually being used by the community local to it and it's actually a place that's 10 x 10 or bigger, a place where you can stand and put your arms out.

COUNCIL MEMBER TORRES: Okay, that was my only question.

CHAIRPERSON WILLIAMS: Council Member Mendez?

COUNCIL MEMBER MENDEZ: Thank you. Miss Breitmen, is someone here from the Mayor's Office? You're back. Okay, I think you missed Miss Breitmen's testimony earlier and I... you know, no one's here from HPD. I want... I would like a commitment, Mr. Chair, if maybe you can go back to HPD for them to come and speak to you or to the council members on whose districts these buildings are in where these tenants have been left in limbo. I know Miss Breitmen. Her mother entered that TIL building, was in that building when it first got abandoned by the city. Rachel is

1 still there and they're still waiting for the
2 renovations and to go into the Tenant Ownership
3 Program that they were promised all those decades
4 ago.
5

6 CHAIRPERSON WILLIAMS: So I'm sorry I
7 missed it, but who managed or owned the property?

8 COUNCIL MEMBER MENDEZ: The building...
9 to my recollection, there's a bunch of these that
10 are in the same situation, so Miss Breitmen, you
11 can tell me if your situation's a little different.
12 Most of these buildings when in rem owners didn't
13 pay taxes, some tenants were there; some buildings
14 were empty; tenants went in; started doing
15 renovations. The city acknowledged the tenants and
16 put them into different programs. There was
17 testimony earlier and there's testimony now from
18 individuals that are in the TIL program, the Tenant
19 Interim Lease program and all along during all
20 those decades tenants were told that the buildings
21 would be renovated and then they would go into a
22 homeownership under a housing development fund
23 corporation, and here it is decades later; in the
24 previous testimony 20 years and in your case it's
25 about the same amount and they're still waiting to

go into this program, plus the last administration zeroed out any funding under the TIL program, so it's unclear what's going to happen with these buildings, but a promise was made to these tenants.

CHAIRPERSON WILLIAMS: Who's collecting the rent and who's maintaining the building?

RACHEL BREITMEN: We collect the rent and it goes into an escrow and the city supervises us at the Tenants Association, but we've been self-managing for over 20 years. I mean that's the short version.

CHAIRPERSON WILLIAMS: So I know there's someone from the Mayor's Office here now and I'd love to follow up on what's being talked about. It sounds pretty bad actually, so...

RACHEL BREITMEN: Yeah and HPD is not communicating anything to the 160 TIL buildings that are remaining and the 30 that are quote unquote "in the pipeline," who have been sitting vacant for over eight years; some of them over eight years.

CHAIRPERSON WILLIAMS: And I know you read a letter from your phone.

RACHEL BREITMEN: Correct.

CHAIRPERSON WILLIAMS: If you can get that to us so we can enter it into the record and have that information that would...

[crosstalk]

RACHEL BREITMEN: Yes.

[crosstalk]

CHAIRPERSON WILLIAMS: Be great.

RACHEL BREITMEN: I did give a copy to Commissioner Been and I will provide you a copy.

CHAIRPERSON WILLIAMS: Thank you so much.

RACHEL BREITMEN: Thank you.

CHAIRPERSON WILLIAMS: I'm sorry, Council Member Mendez...

[crosstalk]

COUNCIL MEMBER MENDEZ: And...

[crosstalk]

CHAIRPERSON WILLIAMS: Did you have more questions?

COUNCIL MEMBER MENDEZ: And Mr. Chair, I just want you to know that when my office tried to follow up with some of these questions recently, a lot of the people who worked in that department and who have the institutional knowledge were

1 shifted to other units in HPD and that's for me
2 problematic because the institutional knowledge is
3 gone and the individuals who've worked with these
4 residents for decades who know what they've gone
5 through and now we're going to get new people in.
6 Well, we don't even know what program... what's
7 really going to happen in these programs, but no
8 one is going to come in who's going to know what
9 Rachel has gone through for 30 years or anyone
10 else. That is just... just for me not a good way
11 for the city to do business, so I just wanted you
12 to know that. I have questions for the other
13 panelists if that's okay. Okay, Miss Becker, and
14 for yourselves and the other panel, some people did
15 not give written testimony, but if you have it,
16 we'd love to get it. There was a lot of
17 information I just couldn't capture. You bring up
18 this issue about the insurance, which is very
19 distressing to me. The Mutual Housing Associations
20 that were mentioned earlier, a lot of the HDFCs,
21 including the building I live in, were all in
22 the... what was formerly Zone A; may now be Zone
23 one, but there were buildings from the Mutual
24 Housing that were in Zone B that are now Zone one
25

1 that were not intended to get flooded, but got
2 severely flooded and my problem right away with
3 those buildings were their insurance companies
4 dropped them. This is permanent affordable housing
5 and now they're trying to figure out how to insure
6 these buildings and if what you're saying is true,
7 I don't know how any of us in the Lower East Side
8 east of Avenue B is going to be able to pay
9 insurance on any of our buildings there, whether
10 we're affordable or not. So but what's very
11 distressing to me is those of us who do have
12 permanently affordable buildings, I don't know that
13 we can remain that way if we're going to have to
14 pay an excruciating amount just to get the building
15 insured. So I think this is a big...

17 [crosstalk]

18 MARGARET BECKER: Exactly right and I
19 think that's the situation that is facing thousands
20 and thousands of homeowners you know, particularly
21 elderly people on fixed incomes. You know, many
22 situation that had every indication of being
23 permanently affordable prior to these flood
24 insurance changes are now doomed.

COUNCIL MEMBER MENDEZ: Mr. Chair, maybe that's the basis for a future meeting with our new Committee on Resiliency 'cause I think it's not just a problem for my district, but in all those different areas; the Rockaway, Coney Island, Red Hook, where we have a large part of affordable housing in communities where people didn't want to live before and now everybody's rushing in. It creates a real problem to maintain those buildings permanently affordable. So I want to thank you for your testimony. Like I may be reaching out to you...

MARGARET BECKER: [interposing] Mm-hm.

COUNCIL MEMBER MENDEZ: In the future just to get more of your knowledge that you have.

MARGARET BECKER: I'd be happy, yes.

COUNCIL MEMBER MENDEZ: Yeah, I don't know. Too much stuff is going through my head and I think I'll just reach out to you guys individually. Thank you very much.

CHAIRPERSON WILLIAMS: Thank you so much for the testimony. I appreciate it, and I want to thank everybody who stayed. We have... I'm going to try to call a super panel so we can get

everyone up and so I'm going call six names up and that should be the last list of everyone who signed up. So we have Greg Todd; Cathy Dang; Mr. Liu.

COUNCIL MEMBER MENDEZ: [interposing] I don't remember all of them.

CHAIRPERSON WILLIAMS: Robert S. Altman; Charles Krezell and Ayo Harrington. If you can all come up if you're still here and we can get you on and thank you, Council Member Mendez, for taking over as I had to step out. Is that everyone? I'll just call their names again: Greg Todd; Cathy Dang; Mr. Liu; Robert S. Altman; Charles Krezell; Ayo Harrington and forgive me if I've butchered anybody's name. My name gets butchered all the time. Thank you so much. If you could please raise your right hand. Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today? Thank you very much. You guys can amongst yourselves who will go first. State your name and we're happy to hear the testimony.

AYO HARRINGTON: [off mic] So my name is Ayo Harrington. Is it on now? So, no problem with ladies first. I'd like to thank the committee

1 COMMITTEE ON HOUSING AND BUILDINGS 196
2 for holding this hearing. My name is Ayo
3 Harrington and while I'm here to talk about
4 community gardens on behalf of LUNGS, and I have a
5 colleague here, Charles Krezell, who will also be
6 talking about community gardens, I am also a
7 homesteader; have been for almost 30 years; spent
8 about six years both gutting and rehabbing a
9 property on the Lower...

10 [crosstalk]

11 CHAIRPERSON WILLIAMS: I'm sorry, I
12 didn't hear. You're also a...

13 AYO HARRINGTON: Homesteader.

14 CHAIRPERSON WILLIAMS: Homesteader, a
15 homesteader, okay.

16 AYO HARRINGTON: A product of squatting
17 on the Lower East Side that was formalized into a
18 program that no longer exists that Rosie just
19 referenced called Urban Homesteading, so I am in a
20 Urban Homestead building, which is a low-income co-
21 op, or was at that time, which also morphed into
22 the very first land trust in New York State for
23 housing called Rand Community Land Trust, a land
24 trust that was supposed to be monitored by HPD,
25 supported by HPD and compliance by tenants was

1 supposed to be forced by HPD, none of which is
2 happening, and we are also one of the buildings,
3 nine of which are owned by the... the land is owned
4 by the Rand Community Land Trust that is about to
5 be tax assessed out of our buildings, now that
6 nobody is watching what's going on or supporting
7 us.
8

9 But again, I'm here really for LUNGS
10 today. I'm a bit horrified. We just found out
11 last night about this hearing, so we ran down here
12 thinking that maybe we might need to testify
13 because we're concerned about the fact that there
14 are 600 community gardens, some of which are owned
15 by the city of New York, which may be on the
16 vacancy lot land and we believe, in fact, that they
17 are. We're very horrified to find that the three
18 agencies that testified, and this goes back to
19 their predecessors, so you know, it's not
20 particular to them, that they define it as a piece
21 of land on which there is no structure. Just
22 using... and Councilwoman Mendez is our
23 councilwoman; just using her district as an
24 example, there are 39 community gardens located in
25 her district and none of them or very few of them

1 have structures on them and some of them; many are
2 owned by the city of New York. so they're going to
3 define them as a vacant land and we certainly don't
4 want to see that happen.
5

6 So you know, at the same time that
7 residents in the '70s and '80s homesteaded
8 abandoned buildings and turned them into affordable
9 housing brick by brick, myself included, many of
10 the same activist type residents claimed garbage
11 strewn lots shovel by shovel turning them into
12 vibrant community gardens, which helped to turn an
13 impoverished and a neglected community into a
14 cohesive, attractive and sought after destination
15 for people all over the world at this time. Today,
16 it's 30 plus years later. We have a lawsuit that
17 we've been through, which permatizes some of them
18 but community gardens are part of the East Village
19 and the New York City fabric. They provide
20 architectural, ecological, social, cultural,
21 environmental, health, educational, agriculture,
22 artistic, therapeutic, scenic and wildlife benefits
23 to the entire New York City neighborhood. They
24 increase the sense of community. They bring people
25 together from a wide variety of backgrounds. They

build community leaders, just like PTAs because they're places where people can gather. They are a crime prevention. They put eyes on the block. They offer unique opportunities for new immigrants who may not speak the language, but who can speak gardening; produce traditional crops otherwise unavailable locally; offer cultural exchanges. When it comes to our youth, they also teach youth where food actually comes from as opposed to wondering where you know. They provide them with math skills; business quenchables. They learn about the importance of community stewardship. I mean the list goes on, but it also allows for food production. LUNGS, last year, which is just an 18-month old organization, actually created a fresh food box for \$10 per person for just a three-month period at the end of the season and up to 100 people signed up for it. MORUS, the Museum of Reclaimed Urban Space, which is located on the Lower East Side, had an eight-day film festival about open spaces and reclaimed spaces and used community gardens as a venue. LUNGS, which had its second annual arts festival last year, brought over... in the past two years has brought over 175

1 artists into just 35 community gardens just in that
2 little area to perform; to sing; to do spoken word;
3 to do workshops, et cetera, et cetera. As an
4 example, one community garden over a two-day period
5 had 14 dance companies performing from all over New
6 York City. So green space is really important;
7 these community gardens are very important.

8 I won't go on and on about it. I just
9 want to say that we support all the prior panels'
10 comments on the need for affordable and supportive
11 housing, including those with special needs, but
12 this is not an either or situation whatsoever. It
13 is a situation where both housing and both open
14 green spaces such as community gardens should be
15 considered in any conversation about city-owned
16 land. And just to give you something new to think
17 about, there are a couple of historic districts in
18 New York City and in that, the largest density of
19 community gardens actually exist in our
20 neighborhood. We are actually hoping to morph this
21 discussion into the council considering making
22 District 2 a historic community gardens district
23 pretty much on the same level that FAB!, the Fourth
24 Arts Blocks have become the cultural arts district
25

1 or a cultural arts district historic in our
2 neighborhood, so we are... and you've asked the
3 question a couple of times, Councilman Williams,
4 about why the various agencies don't either you
5 know, have the same information or any information.
6 Maybe it's pretty much like the Department of
7 Education used to be. I'm not sure if it still is,
8 where each... the elementary school system and the
9 high school system use different computer programs,
10 which could not even talk to each other, but we're
11 not really concerned with why. I know you have to
12 be. Our concern is that when it comes to vacant
13 lots, they cannot define vacant lots that have
14 active community things going on on them, such as
15 within community gardens as a vacant lot and we do
16 not want them to consider the sale or the use of
17 any community garden for anything other than what
18 it's being used for. Again, it's not either or.
19 Both affordable and supportive housing and gardens
20 need to exist. Thank you.

22 CHAIRPERSON WILLIAMS: Thank you.

23 CATHY DANG: Good afternoon. My name
24 is Cathy Dang. I'm the Executive Director of
25 CAAAV, Organizing Asian Communities. First, I want

to thank the Housing Committee and Chair Williams for pulling this hearing together. Happy Birthday, Council Member Mendez.

So CAAAV is a grassroots pan-Asian organization that organizes low-income Asian immigrants and refugees for racial, gender and economic justice. We organize around two issues: around housing and police accountability. Our youth helped pass the Community Safety Act. Our tenant base is largely in Chinatown/Lower East Side and we're growing to organizing Asian tenants in public housing to join the larger multi-racial public housing movement.

I'm here to share the story of Mr. Liu. He actually had to leave. He's one of our members from the Chinatown Tenants Union. I'm here to share his story, but also to share the story of many of our members who have been impacted by gentrification and predatory equity and what this means in relation to the empty apartment buildings and units in our community.

Former Mayor Bloomberg's private development policies has led to accelerated rates of new building permits. It was 40 per year in

1990 and it was 970 in 2006 in Chinatown. As a result, there has been constant construction and demolition rather than repair of older buildings and rapid displacement of low-income immigrant families. Former Mayor Bloomberg reshaped New York City by enacting over 100 rezoning plans, affecting more than 40 percent of the city's land. The Census 2010 shows that you know, Chinatown has lost almost 20 percent of our residents. Almost 6,000 Chinese residents have left Chinatown in the Lower East Side.

With the rapid development of Chinatown that currently outpaces our ability to organize the tenants, scores of low-income Asians are unable to access affordable housing, and here are a few examples of how gentrification and predatory equity has resulted in the pervasive problem of empty apartment units in Chinatown: in one of our buildings on Madison... I'm sorry. [coughs] In one of our buildings on Madison across from Rutgers, a public housing developer spent years of using illegal tactic to evict tenants. There are 20 units and only 11 are occupied right now and he's waiting for the others to leave and has been using

1 illegal tactics to force them out so that he can
2 flip those units. In one of our buildings on
3 Forsyth Street, there are 16 units in which only
4 four units are occupied by long-term tenants.
5 Again, the same landlord is trying to use illegal
6 tactics to push out the tenants and once they
7 leave, he wants to flip the units so that's it's a
8 building of entirely new residents at market rate.
9 At 81 Bowery, which was a pretty... it had a big
10 special on CNN, but the landlord is trying to turn
11 the SRO building into a hotel. He left the
12 building unkempt and in poor living conditions
13 until the city evicted all the tenants. The
14 tenants were forced out of their homes for months,
15 leaving an entirely empty SRO building that the
16 landlord should have been immediately making
17 repairs to, and because of his continued
18 inattention to the building, the tenants were
19 evicted for the second time in March and are still
20 in constant fear of eviction. In 11 Allen, Mr.
21 Liu, he lived there for 10 years and he did not
22 know that it was rezoned as a commercial building.
23 He lived there for over 10 years until the landlord
24 evicted them and the city said you can't live here
25

1
2 anymore because it's zoned for commercial use and
3 not residential, and since then it's been empty for
4 the past year, year and a half.

5 So some solutions that we propose:
6 one, rezoning vacant buildings for residential use.
7 There are a lot of them in Chinatown that could be
8 inhabited; like people can live in it, but it's
9 zoned for commercial use and that landlords have
10 turned into residential. Two, take on predatory
11 equity and holding developers accountable for
12 legally evicting tenants, many who rightfully hold
13 rent stabilized leases, and leaving units vacant
14 for months to years as they flip the units in the
15 building. And three, CAAAV is part of a coalition
16 of neighborhood-based organizations throughout New
17 York City called Stabilizing NYC, which Harvey
18 Epstein had submitted a testimony earlier, and
19 Stabilizing NYC you know, our intention is to take
20 on predatory equity, develop the leadership of
21 tenants and hold landlords accountable for all
22 these empty units and buildings in our
23 neighborhoods.

24 Community development is inevitable and
25 we know that, but we want a fair process for

1 Chinatown, one that is respectful of the families
2 that live there, so with that, I just want to thank
3 you for accepting my testimony and I submit this on
4 behalf of our members, which is a membership of
5 200.
6

7 CHAIRPERSON WILLIAMS: Also for you and
8 the person... and then sorry, for who just
9 testified, if you have written testimony it'd be
10 great if we can get it here at the council so we
11 can have it on the record and the next one.

12 ROBERT S. ALTMAN: Hi, you have my
13 written testimony, so I won't read it. I will
14 summarize it a little bit though. My name is Robert
15 Altman. I represent the Queens and Bronx Building
16 Association and the Building Industry Association
17 of New York City. Members of the Queens and Bronx
18 Building Association actually build a lot of the
19 affordable housing that has been built in this city
20 over the years.

21 We think the general idea of what we
22 heard as taxing at a higher rate is an interesting
23 concept. We know that it was tried in Pittsburgh.
24 New York is not Pittsburgh. When Pittsburgh first
25 did it, it was during its down period, and so that

1 helped it a little. It revitalized it. In fact, I
2 read about it when I actually worked in the council
3 in the early '90s. Pittsburgh started the program
4 I think in the early '80s or even in the late '70s.

5 We've also heard a lot of the vacant
6 lots are on Staten Island. I think if you also
7 enforced Staten Islanders to pay more money for the
8 vacant lots and promoted rapid development there,
9 they would be up on arms and about what was it; 20
10 years ago, Staten Island wanted to succeed. You
11 could see that happening again.

12 That much said, we wouldn't mind
13 something being shaken from the tree. You know,
14 our people you know, build housing. That's what
15 they want to do, but you know, there are... and you
16 know one of things that you hear about about all
17 these vacant lots. Well, there are a lot of
18 issues. Some of them... so I think the very first
19 example we used was community gardens. There's
20 environmentally challenged land. A lot of it's
21 environmentally sensitive land. It's wetlands.
22 There's a lot of vacant land on wetlands you can't
23 build on. Land in underdeveloped areas, land
24 that's already developed but inappropriate for
25

1 further development; land being developed in
2 stages. I even found out that there's land in the
3 Bronx that's build on such solid rock that you
4 cannot really drill down to get into the storm
5 sewer access and storm water access, so we can't
6 build there. So it sounds like a great idea, but
7 our people actually drive around looking for
8 developable sites. If they see that it's private
9 land, you can look up the owner on ACRIS. They
10 will try to get in touch. If it's city-owned land,
11 they'll try to get in touch with the city. There's
12 not an awful lot of developable land in the city
13 that will justify a major investment.

15 There may be... and it's interesting
16 that you brought it up. We're talking about vacant
17 land here today in our testimony, but it's
18 interesting you did bring up the foreclosure
19 properties, which is a legitimate situation to look
20 at. Sometimes you know, you're also looking to
21 assemble sites, so I know the HPD Commissioner
22 mentioned this, but we'll by a site hoping that the
23 next site right next door becomes available 'cause
24 then we can, in fact, develop that site larger and
25 more economically. But I think one of the things

1
2 that you have to be cognizant of is that people do
3 go around looking on what is developable and there
4 is a limit to the amount of land in this city. And
5 I will tell you flat out as someone who deals with
6 a lot of the... I have to look a lot of times at
7 vacant land situations; there are a lot of slivers
8 in this city that is just there and you can't build
9 on either. So realize this is not saying that it's
10 a bad idea. It's just saying it's not going to be
11 the cure-all I think that everybody thinks it has
12 the potential to be. I think you'll find that
13 there's a limit to how useful it will be and while
14 we'll you know, await a proposal on it, I wouldn't
15 be looking at it as a cure-all.

16 CHAIRPERSON WILLIAMS: Thank you.

17 GREG TODD: Good afternoon. My name is
18 Greg Todd and I want to thank the Council Chairman
19 Williams and other members for this opportunity to
20 speak on the important topic. I represent a group
21 called Green Phoenix Permaculture and also Brooklyn
22 Allied Composters and Carters, and I'm here to
23 speak about the issue of food security and
24 resiliency.
25

It seems that the drought in California is really kicking in. According to *The New York Times* of February 13th of this year, experts estimate that over 500,000 acres will not be planted in the Central Valley this year. As you may know, the Central Valley is the single largest source of fresh fruits and vegetables in the United States. The four most productive agricultural counties in the United States are in Central Valley. The total agricultural production of the Valley amounted to \$17 billion in 2002, as the leading source in the United States for tomatoes, almonds, grapes, cotton, apricots and asparagus. No water has flowed in irrigation canals in three years in some farms and drilling for water, if one can find a well driller who isn't booked for years in advance, is very expensive. Without regular rain to replenish the aquifer, it's only a matter of time until water in the wells dries up.

And in a February 13th article in the *National Geographic*, Celeste Cantu, Manager of the Santa Ana Watershed Authority, states that the cost of fruit and vegetable could soar because of the drought. In the same article, Lynn Ingram, a

1
2 paleoclimatologist at the University of California
3 at Berkeley, who has studied thousands of years of
4 drought history, states that California needs to
5 brace itself for a mega-drought, one that could
6 last for 200 years or more.

7 Because we receive most of our fresh
8 fruits and vegetables from areas such as
9 California, the implications for New York City are
10 clear. We need to obtain a lot more food
11 independence. One of the ways we need to do this,
12 in addition to relying on local farmers, is to
13 begin growing food in vacant lots. With some 500
14 acres of vacant city land, growing in a community
15 garden is a real possibility and because we need to
16 eat year-round, we need to grow food year-round as
17 well. Growing fruits and vegetables inexpensively
18 in the winter in the Northeast requires a special
19 kind of greenhouse, one that maximizes the sun as a
20 heat source.

21 I don't want to go further detail.
22 You've got the testimony before you, but there are
23 models of these sustainable greenhouses around the
24 country, and we are going to basically develop one
25 for our garden at the Imani Garden in the Council

District 36, which is Robert Cornegy's district on Schenectady and Pacific and we're going to be doing a fundraiser about that and we'll be in touch with the City Council about that event, which will be taking place in the next couple months. Thank you.

CHAIRPERSON WILLIAMS: Thank you.

CHARLES KREZELL: My name is Charles Krezell. I'm with the New York city Community Garden Coalition, which is a citywide coalition of 600 gardens, representing about 10,000 gardeners.

Our position on this whole thing is that community gardens should be made permanent as a city policy; that community gardens should be expanded. There should be more green space rather than less in the city; more urban space. They are beneficial for the entire health of the city; the children of the city, the education. And there shouldn't be an argument about housing versus community gardens. They should go hand-in-hand with a social justice... overview by the city itself. I mean we're looking for the city to come up with some kind of land use statement that would be a citywide... overview, so that's all. We want to make sure that the community gardens are still

in place and that this is not part of that argument, that's all. Thank you.

CHAIRPERSON WILLIAMS: Thank you and I did make sure to mention that in the opening statement; that some of these vacant lots may actually have community gardens on them and may not be vacant as they're being counted. I am a big fan of community gardens and as I just mentioned, a lot of these areas were built up when no one wanted to live there and people who were indigenous and have helped it be as marketable as it is definitely should take precedence in staying there with the amenities that they developed and places who want to create those kind of amenities definitely should be assisted and not hampered. I did have one question for Mr. Altman. I think you said you drive around looking for... do you have any data? Do you record what you find?

ROBERT S. ALTMAN: No, we don't record what we find. I think what they try to do is find out simply if the site is... they can make the site available.

CHAIRPERSON WILLIAMS: Is that something that...

ROBERT S. ALTMAN: [interposing] I mean you can actually... if you see an appropriate site. I mean they're not going to go driving around industrial areas. One of the things that you know, you're not going to want to put a house in the middle of... an apartment building in the middle of an industrial area, but if they see a site, they note the address. You can look up who the property owner is on ACRIS, but they don't keep a compilation. They're in competition with each other. Sometimes they're all going after the same site.

CHAIRPERSON WILLIAMS: Is there any chance that they would give to you or someone else any time...

[crosstalk]

ROBERT S. ALTMAN: I don't know if they record it I think once they find that it's unavailable. Maybe they keep a log over the years. I could check and see, but they're also... mind you, they're also, as I said, in competition with one another 'cause one of the main things that a... well, what an affordable housing developer does is they usually bring the land to the city you know,

but it's usually not... it's rare when the city can give the land to them.

CHAIRPERSON WILLIAMS: Well, I would just say if you were so inclined, we would not be in competition here at the City Council, so if they wouldn't mind sharing some of that information it's be...

[crosstalk]

ROBERT S. ALTMAN: If it wasn't made public, maybe they could, but it's all foitable.

CHAIRPERSON WILLIAMS: Alright, thank you, and I know Council Member Mendez has a question.

COUNCIL MEMBER MENDEZ: Thank you, Mr. Chair. For the two residents of my community, just for the record 'cause you reference LUNGS, but it doesn't you know, say what it is, so I just want that on the record.

AYO HARRINGTON: Yeah, LUNGS was actually founded by Charles Krezell less than 18 months ago. It is a coalition of community gardens that are particular to the East Village and the Lower East Side. The reason for that is because it again, has the largest density of community gardens

1 in all of New York City. In about a 14 square
2 block area; actually a little less than that; there
3 are 44 community gardens. For example, three of
4 them are on my block and our purpose is to, as
5 Charles explained, both maintain, support and to
6 expand community gardens, but also to do something
7 that has not been done, and that is to find
8 infrastructure support for them in terms of
9 lighting, in terms of soil remediation, which we
10 experienced you know, a lot of erosion as a result
11 of Hurricane Sandy, to produce food and to partner
12 with local farmers, particularly farmers of color
13 upstate to bring food into our communities, so it's
14 s partnership so that we get fresh fruits and
15 vegetables et cetera, et cetera, et cetera. And
16 further, of course, the last thing I mentioned
17 earlier and that is to try to encourage support for
18 creating a community gardens district so that
19 people understand that just like Central Park,
20 community gardens are as important to the health
21 and well-being of New Yorkers.

23 COUNCIL MEMBER MENDEZ: Okay and LUNGS
24 stands for...

AYO HARRINGTON: Lower... I almost got it wrong. Loisaída United Neighborhood Gardens, and Loisaída, of course, is another name for Lower East Side or...

COUNCIL MEMBER MENDEZ: [interposing]
Mm-hm.

AYO HARRINGTON: East Village or Alphabet City.

COUNCIL MEMBER MENDEZ: Thank you very much. Ms... I don't know. I can't understand my handwriting. Is it Dung or Dang?

CATHY DANG: Dang.

COUNCIL MEMBER MENDEZ: Dang, I'm sorry. Okay, you mentioned that... and Mr. Liu was... had submitted a card to testify, but...

CATHY DANG: [interposing] Mm-hm.

COUNCIL MEMBER MENDEZ: I guess he had to leave. You said he lived in a building that was zoned residential.

CATHY DANG: Zoned commercial.

COUNCIL MEMBER MENDEZ: But it was changed, no?

CATHY DANG: The landlord turned the building into residential use, so he made

1 bathrooms... like I guess little cot space and the
2 tenants when they moved in there didn't know that
3 it was zoned for commercial, and there was actually
4 a recent... another vacate order by HPD or not, DOB
5 at 27 Bayard where similar downstairs was a
6 commercial and upstairs was SRO units, but the
7 landlord turned the whole building into SRO units
8 and there was a vacate order for its living
9 conditions, so then the tenants ended up being
10 homeless for... actually some of them are still
11 homeless wandering the city because they were
12 vacated from that building.

14 COUNCIL MEMBER MENDEZ: And Mr. Liu's
15 building was commercial. It was being rented
16 out...

17 [crosstalk]

18 CATHY DANG: As...

19 COUNCIL MEMBER MENDEZ: For residential
20 use...

21 CATHY DANG: [interposing] Mm-hm.

22 COUNCIL MEMBER MENDEZ: And then at
23 some point I guess the city found out...

24 CATHY DANG: [interposing] After...

25 [crosstalk]

COUNCIL MEMBER MENDEZ: And then he had
to...

CATHY DANG: Yeah, after 10 years the
city found out. There was a lawsuit against the
landlord because he falsely rented it out and I
mean the tenants had a month to move out, but in
the end we were trying to fight to get it to be
rezoned as a residential use and we couldn't do it.

COUNCIL MEMBER MENDEZ: And this was
on... that building was on Forsyth Street?

CATHY DANG: This was 11 Allen, and I
know from speaking with Council Member Chin...

COUNCIL MEMBER MENDEZ: [interposing]
11?

CATHY DANG: Oh, 11 Allen.

COUNCIL MEMBER MENDEZ: Okay.

CATHY DANG: And I know from speaking
to Council Member Chin in the past I know AAFE
would be able to turn and combine a couple of SRO
units and legalize those units in Chinatown, and so
I think that's a very smart move and something to
think about to create more affordable housing.

COUNCIL MEMBER MENDEZ: Thank you. And
Mr. Altman, I found your testimony fascinating and

you said that there are... when you said that there are some lands that are wetlands, and are they identified anywhere on our city maps as wetlands?

ROBERT S. ALTMAN: I think they're identified by the state maps.

COUNCIL MEMBER MENDEZ: State maps.

ROBERT S. ALTMAN: I believe the state maps do it. I think DEC keeps them.

COUNCIL MEMBER MENDEZ: And our city maps don't or even our PLUTOs or whatever it is that people...

[crosstalk]

ROBERT S. ALTMAN: I'm not sure.

[crosstalk]

COUNCIL MEMBER MENDEZ: Are using to...

[crosstalk]

ROBERT S. ALTMAN: I'm not sure. You know, it's just not something I've checked on city maps and I believe DEC is the keeper of the maps.

COUNCIL MEMBER MENDEZ: Okay, I want to thank everyone on this panel for their testimony and I want to thank you, Mr. Chair, for allowing me to stay here 'til the bitter end and ask all my questions.

AYO HARRINGTON: Chair Williams, if you would just tolerate me for one more second, the constituents in Rosie's... Councilwoman Mendez's district asked me to embarrass myself here today by singing to her, not Stevie, but the traditional Happy Birthday. I'll be very brief and anyone can feel free to join me. So Rosie, this is for you.
[singing Happy Birthday]

CHAIRPERSON WILLIAMS: That's a beautiful voice. Oh, wow. [applause] That was amazing.

AYO HARRINGTON: Sorry about that.

COUNCIL MEMBER MENDEZ: So I'll give everyone a little bit of information. Ayo doesn't get embarrassed, that's one.

AYO HARRINGTON: That is true.

COUNCIL MEMBER MENDEZ: Two, Mr. Chair, Ayo was a member of Sweet Honey in the Rock.

CHAIRPERSON WILLIAMS: Okay, sure.

COUNCIL MEMBER MENDEZ: So you should just know that.

CHAIRPERSON WILLIAMS: She has no...

[crosstalk]

COUNCIL MEMBER MENDEZ: So we have...

[crosstalk]

CHAIRPERSON WILLIAMS: No...

[crosstalk]

COUNCIL MEMBER MENDEZ: A lot of talent.

CHAIRPERSON WILLIAMS: [singing]

COUNCIL MEMBER MENDEZ: On the LES and you still owe me a full version of my Stevie Wonder Happy Birthday just 'cause, so.

CHAIRPERSON WILLIAMS: Okay, if people have time we can do it now. I don't know. [singing Happy Birthday] [applause] I'm just...I got to sing with somebody from Sweet Honey in the Rock. I'm excited. I want to thank everybody who stayed 'til the bitter end and obviously, thank you Rosie Mendez, for staying and showing your passion. This was my inaugural committee hearing combined with the importance of subject, so I'm still a little high. I was very liberal with the time. It may not be the same with all the other hearings, but I want to say thank you very, very much and the hearing is now adjourned.

[gavel]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMITTEE ON HOUSING AND BUILDINGS

COUNCIL MEMBER MENDEZ: Thank you,
everyone.

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Date: 03/31/2014