

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE HOUSING AND BUILDINGS

Jointly with

COMMITTEE ON LAND USE

And

COMMITTEE ON COMMUNITY DEVELOPMENT

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November 17, 2014
Start: 10:38 a.m.
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HELD AT: Council Chambers - City Hall

B E F O R E: Maria Del Carmen Arroyo
Chairperson

David G. Greenfield
Chairperson

Jumaane D. Williams
Chairperson

COUNCIL MEMBERS:

Rosie Mendez
Ydanis Rodriguez
Karen Koslowitz
Robert E. Cornegy, Jr.

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

Council Members:

Rafael L. Espinal, Jr.
Mark Levine
Antonio Reynoso
Helen K. Rosenthal
Ritchie J. Torres
Eric A. Ulrich
Vincent J. Gentile
Anabel Palma
Inez E. Dickens
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Ben Kallos
Mark Treyger
Vincent M. Ignizio
Elizabeth S. Crowley
Andy L. King
Vanessa Gibson
Alan M. Maisel

Vicki Been
Commissioner of Housing Preservation and
Development

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

Carl Weisbrod
Director of the New York City Department of City
Planning

Bill Crawley
NYCHA Director of Development

Purnima Kapoor
Executive Director of City Planning

Gary Rodney
President of the New York City Housing
Development Corporation

Robert Tolbert
Vocal New York

Ed Josephson
Legal Services NYC

Alexandra Hanson
New York Association for Affordable Housing

Rajiv Jaswa
Urban Justice Center

Carl Johnson
Plumbers Local Union Number One

Maritza Silva-Farrell
Real Affordability for All Coalition

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

Elliot Hecht

Local Union Number Three of International
Brotherhood of Electrical Workers

Humberto Restrepo

Joint Industry Board of the Electrical Industry
Board

Matthew Dunbar

Habitat for Humanity

Moses Gates

Association for Neighborhood Housing Development

Mike McGuire

Mason Tenders' District Council Laborers

Andrea Cianfrani

Council of Senior Center Services

Elizabeth Stogen

Enterprise Community Partners

Tom Waters

Community Service Society of New York

Ana Taveras

Translator

Ramon Perez

Construction worker

Erika Glenn-Byam

Laborers Local 79

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

Belina Anderson
Cathedral Gardens Condominium Residential Unit
Owners

Claudia Wilner
NYC Land Initiative

Shaniqua M. Charles
Community Board Seven/CASA

Matthew Hassett
Center for New York's New Neighborhoods

Fitzroy Christian
CASA

Maria de la Cruz
CASA New Settlement Bronx

Helene Caloir
Local Initiatives Support Corporation NYC
Program

Matthew Chachere
Northern Manhattan Improvement Corporation

Maritza Gonzales
Tenant

Maria Hernandez
Tenant

Joe Rosenberg
Catholic Community Relations Council

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

Eddie George

New York Community Alliance for Workers' Justice

Carol Turner

New York Community Alliance for Workers' Justice

Anthony Chabinier [sp?]

New York Community Alliance for Workers' Justice

Christina Mansfield

Institute for community Living

2 CHAIRPERSON WILLIAMS: Good morning all
3 to this slightly passed the time we advertised
4 beginning of the hearing. I apologize to everyone.
5 Thank you everyone for the patience and thank you
6 Administration for the patience. I am very excited
7 as being a former tenant organizer to now being the
8 Chair of Housing and Buildings. My name is Jumaane
9 Williams, and I'm excited to be chairing this hearing
10 on the Mayor's Housing Plan. I am here today with
11 Speaker Melissa Mark-Viverito. This is being co-
12 chaired by Council Member David Greenfield of the
13 Land Use Committee, Council Member Maria Del Carmen
14 Arroyo of the Committee on Community Development.
15 We've been joined by Council Member Maisel, Espinal,
16 Levine, Rosenthal, Lander, Kallos, Cohen, Garodnick,
17 Koo, Gibson and Mealy. Did I miss anybody? As I
18 mentioned here, we're here today to discuss the
19 Mayor's ambitious Affordable Housing Plan, Housing
20 New York, a Five Borough Ten Year Plan. The word
21 affordable, however, is virtually meaningless to the
22 vast majority of New Yorkers. In the past 10 years,
23 rent has increased at twice the rate of housing
24 income citywide. The number of rental regulated
25 apartments continue to vanish, while most new housing

construction has been geared towards the wealthiest of New Yorkers. On the forgotten end are those who are considered low and moderate income, even the middle class. New York City's homeless population which has soared to the highest levels since the Great Depression. With a housing vacancy of only 3.12 percent, steadily increasing rents and widespread income stagnation it should go without saying that New York is currently in a housing crisis and has been for quite some time. The affordable housing crisis has plagued New York City for far too long. So this hearing will give the Council and opportunity to thoroughly diagnose the 116 page plan to find out how the council can help make this ambitious goal a reality. The Mayor's housing plan was the lynchpin of his campaign, and today's hearing will present a first look at how the Administration endeavors to create or preserve 200,000 affordable housing units in the next 10 years, one of the most ambitious plans ever. Today's hearing will focus on the following issue areas: The methods which will be used to create more affordable and more deeply affordable housing units. Two, learning about which programs in neighborhoods will be targeted for

1 preservation efforts. Three, identifying which
2 neighborhoods will be upzoned and the impact this
3 will have on existing communities. Four, the
4 proposed reduction in homelessness. Five, the
5 proposed expansion of supportive housing and new
6 housing assistance programs such as housing for
7 seniors and veterans. It probably goes iwthout
8 saying, we probably won't cover everything we may
9 want to cover in this first hearing. We plan to have
10 some follow-up hearings and really drill down on
11 specific issues, and potentially and most
12 importantly, paying for the anticipated 41.1 billion
13 dollar cost of the plan. This is I'm sure going to
14 be a very, very short hearing. [laughter] But with
15 that, I'd like to invite the Speaker to make an
16 opening statement and then each of my co-chairs.

18 SPEAKER MARK-VIVERITO: Thank you, Chair
19 Williams, and obviously by the attendance in this
20 room, we all know that this is a topic which is of
21 incredible importance to every single person that
22 lives in New York City, and this plan is this new
23 Administration's vision of how they plan to tackle
24 and address the challenge that we have and the crisis
25 that we have in affordable housing, and I think that

Chair Williams is very clear that when we hear the word affordable, for many of us that's not a solid enough term. It's not a defined enough term. We know that the Federal AMI structures are completely out of wack with the reality with a lot of our neighborhoods. So when we talk about affordable housing we're talking targeting it to specific incomes and that's what we're looking to talk about today. So I want to thank everyone that is here, and good morning to everyone. I'm Melissa Mark-Viverito, Speaker of the City Council, and I want to thank Council Members Williams, Arroyo and Greenfield for convening our first hearing on the Mayor's Affordable Housing Plan. Considering this topic is so important and that the plan is expansive and vast, we definitely wanted to make a series of hearings, and this will not be the only conversation we will have about this matter. Obviously it's not news to anyone that New York City is an expensive place to live and getting more expensive every day. Over the last 20 years, the average rent for an apartment in this city has jumped by almost 40 percent, while wages have crept up by only 15 percent. And as of 2012, a third of New Yorkers were paying more than half their

incomes for housing, leaving them with little to pay for food, medicine and other necessities. To make matters worse, our city has experienced a steady decline in the number of rent regulated apartments, with over a quarter of a million units being deregulated in the last two decades. So to put it bluntly, we are facing an incredible crisis, and although the city and state and the federal government have taken some steps over the years to address the problem, it just hasn't been even nearly enough. We must do more to preserve the affordable housing we have and to create more wherever we can. This is a duty we have to future generations, and it's one we must make good on now. The plan we are here to discuss is a first step toward fulfilling that duty. It is a bold plan with broad outlines of several innovative approaches to the problem we face. It calls for strengthening existing housing programs, for deepening affordability requirements, for bolstering the programs that serve seniors and the homeless, for mandating affordable housing and new construction and much more. This is a plan with great promise, but as we've all learned, a plan is only as good as its results, and that's why we're

here today, to learn how the Administration will transform these promising ideas into concrete actions that will preserve and enhance our affordable housing stock. For example, we want to know what neighborhoods will change and how those neighborhoods will be chosen. We want to know just how affordable the affordable housing will be, and we want to know what role we're going to play in shaping this plan as it moves forward. As I mentioned earlier, I called this plan a first step and that's just what it is, a first step in a long haul. It's important that we all remember that, even as we push hard for details today. There's no quick fix to the mess we're in. This fight won't be over in a month or a year, or even a term, but with a sustained commitment from every corner of the community, from elected officials, from advocates, from developers and managers, from tenants and homeowners, from banks and lenders and from everyone who needs a safe place to lay their head at night. This is a fight we can win, and it's a fight we will win. So I want to thank everyone again for coming out, and I'll turn this back over to the chairs.

2 CHAIRPERSON WILLIAMS: Thank you, Madam
3 Speaker. We've been joined by Council Member
4 Koslowitz and Council Member Dickens. I'd like to
5 ask Chair Greenfield to give his opening statement,
6 then Chair Arroyo.

7 CHAIRPERSON GREENFIELD: Thank you, Mr.
8 Chairman. Thank you, Madam Speaker. You know it's
9 an important hearing when the Chair breaks out his
10 sweater vest. So this is a very serious hearing this
11 morning and we appreciate your leadership on this
12 issue. I will, you know, for starters, I think that
13 we throw around the word affordability a lot. I
14 think affordability means different things to
15 different people. I think part of what we would like
16 to help people get an understanding of is what
17 exactly does that mean. Obviously, the
18 Administration has set forward a very aggressive goal
19 that we think is laudable, in terms of 200,000 units
20 of affordable housing, 120,000 of which the
21 Administration proposes to preserve, and 80,000 of
22 which will be built. And certainly, the Council will
23 play a big role as partners in that goal, and I want
24 to thank the Speaker especially for her leadership on
25 the issue. Obviously, in the Land Use Committee, we

have a very specific interest in this project, not just in new developments, but also in the preservation of affordable housing as projects come to us for certification on tax breaks and other projects. I first actually want to thank all the members of the Land Use Committee who are here today. I want to acknowledge Council Member Ben Kallos as is our practice. He receives the gold star today for on time attendance. Thank you Council Member. We certainly appreciate that. And I think that really from the Land Use perspective we're very focused on specifically the preservation of existing affordable units, what tools are being used to preserve those affordable units, and obviously, the much discussed inclusionary zoning proposal where we know that there are going to be different areas that will be rolled out and will be proposed for upzoning, which is directly germane to our committee. And finally, we'd like to drill down specifically on some of the tools that are used to provide affordability and really figure out the costs and the structures of how not simply short term preservement [sic] of affordability, but how we actually engage in long term preservation of affordable housing. So, I very

2 much want to thank Chair Weisbrod who's here today
3 with us and Commissioner Been, both of you who I know
4 are very dedicated to this task. We understand
5 there's been a lot going on on the first 10 months of
6 the Administration, which is why we waited to have
7 this hearing, but we are very eager to hear those
8 details and to start the conversation and to really
9 partner with you in our role as the Council to
10 achieve the very laudable goals that the
11 Administration has set out. Thank you very much.

12 CHAIRPERSON WILLIAMS: Thank you.
13 Council Member, Chair Arroyo?

14 CHAIRPERSON ARROYO: Thank you, Mr. Chair
15 and my other Co-Chair, Council Member Greenfield.
16 Thank you Madam Speaker for joining us this morning.
17 We're going to have a large conversation starting
18 today on this housing plan, and from the perspective
19 of the Committee on Community Development our charge
20 is to examine and identify opportunities to address
21 poverty in low income communities. And in my mind,
22 this housing plan presents us an incredible
23 opportunity to deal with the issue of employment, the
24 wages that individuals get paid in the projects that
25 we will see coming forward under this plan and engage

1 in the long overdue conversation between labor,
2 affordable housing, the Administration and the
3 Council around how we can make individuals who work
4 on these projects earn wages that can allow them to
5 support themselves and take care of their families.
6 I look forward to this conversation. It's long
7 overdue, and I think it is time that we put a little
8 bit more skin in the game to make sure that the
9 housing that's developed is quality housing,
10 affordable, but helps the individuals who work on
11 these projects earn wages that they can be proud of.
12 Thank you, Mr. Chair.

14 CHAIRPERSON WILLIAMS: Thank you. I'd
15 also like to thank my staff for the work they did to
16 assemble the hearing today, including Nick Smith, my
17 Deputy Chief of Staff and Legislative Director Jen
18 Wilcox and Shjuaday [sp?]-how did I do? Alright.
19 Shjuaday Codray [sp?], Counsels to the committee,
20 Guiermo Petino [sp?] and José Conlay [sp?], Policy
21 Analyst to the committee, and Sarah Gustelum [sp?].
22 Sarah, did I do it right? Thank you. Close enough.
23 The committee's Finance Analyst, also Community
24 Development Committee Alex Paulinof [sp?], Counsel
25 José Conlay, Legislative Policy Analyst, Kenneth

Grace, Legislative Financial Analyst, and Raju Mann [sp?], Land Use Committee. As a reminder for those of you testifying today, please be sure to fill out a card for the Sergeant. My colleagues, I'm going to ask you to keep your questions and remarks to five minutes. I understand that Director Weisbrod needs to leave at 12:45. We'll do our best to try to get you out. Again, I do want to just say this is for me, only in America and New York City story, that a rambunctious trouble-making tenant [sic] organizer is now a rambunctious trouble-making Chair of Housing and Buildings and can really dig into some of the questions he'd been working on. I'm very proud of that. With that said, I'm going to ask Commissioner Vicki Been and Director Carl Weisbrod first of all. Thank you for being very patient with us as we get started this morning. I'm going to ask you raise your right hand for the affirmation. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before the committee and to respond honestly to Council Member questions? Please get started. Thank you.

COMMISSIONER BEEN: Thank you, Madam Speaker, Chairman Williams, Chairman Greenfield and

2 Chairwoman Arroyo. Thank you for having us here
3 today to talk about the implementation of Housing New
4 York, which as Chair Williams said is an ambitious
5 five-borough, 10 year plan to build and preserve
6 200,000 units of housing. I would even describe the
7 plan as rambunctious. So I'm delighted to work with
8 you on that. I'm joined by my colleague Carl
9 Weisbrod, the Director of the New York City
10 Department of City Planning and Chairman of the New
11 York City Planning Commission, and officials from
12 other agencies that are key to the plan are here to
13 assist in answering questions that are specific to
14 their agencies and their work. I'm going to focus my
15 remarks on a brief overview of the plan, the efforts
16 that HPD is leading to implement the plan and some
17 key accomplishments that we've already realized under
18 the plan. And Carl will then speak more specifically
19 on rezonings and mandatory inclusionary housing. So
20 Housing New York, the five-borough, 10 year plan
21 which was announced at the beginning of May resulted
22 from a collaborative process that involved 13
23 different agencies and engaged over 200 stakeholders
24 from the advocacy community, developers, labor
25 representatives and elected officials. The plan laid

out more than 50 different initiatives, primarily focused on exactly how we would ramp up production to build or preserve 200,000 units, but the plan also set forth a number of other key principles, and I think it's important to focus on those as well. First, one of the most significant aspects of the plan is that it recognized that the city needs to build not just housing but neighborhoods through holistic and coordinated interagency efforts to foster thriving and diverse communities. In addition, the plan emphasized the critical importance of efforts to improve and preserve the affordability and the quality of our existing housing stock. It also committed the city to meet the special housing needs of the extremely low income, the homeless, the elderly and those in need of supportive housing. So, after the launch of the plan at the beginning of May we launched into one of the busiest times of the year for us with June closings. Since the Mayor took office we've closed a total of 10,846 units and we're on track to close more than 100 other projects between now and the end of the year, which is traditionally one of our busiest closing periods. It always takes some time to ramp up production because

it requires considerable effort and time to build our staff and our production capacity to design and launch the new programs that are laid out in the housing plan and to refine our existing programs, but we're ramping up very quickly, and expect that this first calendar year will show considerable progress towards the Mayor's ambitious goal. We're projected to achieve 16,000 units in the Mayor's first calendar year, and we're on track to do that. While there will be some variation from year to year, in general we're targeting 40 percent of that production will be new construction and 60 percent of it will be preservation. Of the 10,480--I'm sorry, 10,846 that we've closed to date about 33 percent have been new construction and about 67 percent have been preservation, but it takes some time to get new construction into the pipeline. So we expect that that will ramp up quickly. We also are targeting that 20 percent of the units be for those with extremely low or very low incomes, below 50 percent of AMI. Our current numbers do not reflect that priority. We have about 11 percent in the very low income category, but we want to ramp that up to 20. Again, it will take some time for that shift to show

up as we introduce new programs that require that deeper affordability. To take you through some of the initiatives that have enabled that progress, I'd like to first focus as Housing New York does on our neighborhoods. Housing New York recognized that our development and preservation efforts have to be guided first and foremost by meaningful community engagement. They have to be coordinated with public investments in infrastructure and services. To fulfil our mission of developing better neighborhoods, HPD has already made several major changes. First, I've announced already, but I'm pleased to really highlight that HPD has reorganized many of our analytic planning and neighborhood outreach activities into a new division called Neighborhood Strategies and appointed Daniel Hernandez, a well-respected expert on community planning and affordable housing production as the new Deputy Commissioner of that division. Under Daniel's direction, Neighborhood Strategies will include three teams to ensure that HPD's investments leverage broader community objectives, planning, inclusionary housing and community partnerships. These teams will be better positioned in the Neighborhood Strategies

unit to take on a much more neighborhood focused-- neighborhood based focus. They will help align our development and preservation efforts with the city's forthcoming mandatory inclusionary zoning initiative. They also will serve as a bridge between what we learn through the work that our co-compliance efforts that our Deputy Commissioner Vito Mustaciuolo leads and the asset management activities that Deputy Commissioner Anne-Marie Hendrickson leads and the work that our preservation and our new construction teams do. We're very excited about the way that this new division will engage with the communities that you represent and how it will inform and make sure that all of the agency is working together in a neighborhood-based way. Let me turn now to the initiatives underway both to build our pipeline for new construction and preservation and to make it easier and cheaper for our nonprofit and our for-profit partners to build and rehab housing and make more effective use of our subsidies. Earlier this summer, we asked developers, advocates and other stakeholders to tell us what was working and what wasn't working about our programs. We took that feedback to heart, and over the past few months

reworked or tweaked many of our affordable housing programs. Last week we released new program parameters and term sheets that reflect those improvements. The revised term sheets make several changes to better align our programs with the goals of Housing New York. First, they restructure our loan programs to reduce the interest rates that we charge up front and to defer payments until the end of the regulatory period. Those changes do a couple of things. First, they lower cost at the beginning of the project and allow the developers and us to leverage additional private capital at that time. They also recapture the city's investments and provide greater incentives for longer term affordability by being, you know, a payment that has to get made at the end if the property does not stay in an affordability program. The second thing is that they stretch public subsidy. For example, they reduce the per unit subsidies for projects that use other funding sources or other public benefits such as the Inclusionary Housing Program. They redirect subsidy for deeper and longer terms of affordability and for special needs housing. They encourage mixed income housing, which I'll talk more about in a

second. They permit new construction projects to have a more flexible bedroom mix. And last but not least, they standardize and streamline many of the requirements related to replacement reserves, marketing and other aspects of our programs. So those are very important initial moves to show what we're prioritizing and to actually structure our subsidy programs around those priorities. Our partners at the Economic Development Corporation are finishing up with a comprehensive survey and analysis of all the vacant lots in the city. We will use this tool to encourage affordable housing and mixed use development on underused sites within our own portfolio and that are held by the state public authorities, not for profit institutions, faith based organizations and private owners who have land that could be deployed for affordable housing. The housing plan affirms that middle income housing is an essential component of our work to promote long term revitalization and strong neighborhoods. So as part of our effort to create programs that can accommodate households at a range of income levels, our newly revised term sheets allow for a 20/30/50 mix of low, moderate, and middle income units, and we will soon

1 launch a new program called NIHOP, the New Infill
2 Homeownership Opportunities program. NIHOP will
3 encourage developers and contractors to create
4 housing that is affordable to a mix of incomes,
5 promotes workforce home ownership in neighborhoods
6 that haven't had a lot of home ownership
7 opportunities, and fill in gaps in the neighborhood
8 fabric by taking those vacant lots and putting them
9 to good use. The goal is really to ensure that our
10 neighborhoods reflect greater income diversity and
11 our healthier and more vibrant places to live, work,
12 shop and play. Recently we also implemented changes
13 in how we allocate low income housing tax credits,
14 which as you all know, is one of the major sources of
15 financing for our affordable housing. Developers
16 compete for a limited pot of credits based on upon
17 criteria that are specified in something called the
18 Qualified Action Plan, which is not a very felicitous
19 term, but we call it the QAP. This year--which also
20 isn't very felicitous. This year we took a very hard
21 look at the criteria in our QAP and we made a number
22 of important changes to implement the priorities of
23 the housing plan. One major revision, for example,
24 requires that anyone who gets tax credit financing
25

has to give the city a legal option that allows us to exercise the option at the end of the regulatory period to keep the property in an affordable housing program. That's a major, a major advance. To support the huge pipeline that we need to build or preserve 200,000 units of affordable housing and to ensure that our production programs provide jobs to residents of the communities in which that housing is being built, we also are taking steps to promote a more robust and diverse development industry in New York City. I'm excited to report that the State Legislature has sent HPD's top state legislative initiative for 2014, a bill to create a dedicated pipeline for MWBE developers to the governor for signature. It's on his desk and we're hoping that he signs it today or tomorrow, actually. And what that does is it gives us the authority to establish a pre-qualified list of MWBE developers and their joint ventures that will be eligible to compete for a dedicated pipeline of projects that will be available only to people on that prequalified list. The people on that prequalified list will be selected based upon responses to our request for qualifications, which we will be releasing very, very soon. In fact, HPD is

rolling out a suite of policies and programs aimed at increasing opportunities for MWBE's to compete for HPD Finance Development Projects. The New York City acquisition fund is offering low cost financing options for site acquisition and predevelopment costs for MWBE's. HPD has designed and recently launched a capacity building and business development course in conjunction with the City Department of Small Business Services. We got over 75 applications for that course. We were only able to take 27 of them for the course this time around, but there's enormous interest and so far we've gotten very positive feedback on that course. We are in the midst of a comprehensive review of the regulatory and procedural costs that we impose on development and are taking a very hard look at the efficiency, or unfortunately sometimes the lack there of, of our requirements and procedures. Because we have so much to talk about today, I'm just going to give one example of the kind of reforms we have underway to reduce the time and therefore the money that is spent in permitting affordable housing projects. We have revamped our Inclusionary Housing Program review processes from top to bottom. As I mentioned, inclusionary housing

is now a separate unit within our Neighborhood Strategies Division, headed by Assistant Commissioner Louise Carroll, who was promoted from a position as a lawyer in our legal division. She recently issued a comprehensive application process guidelines, which provide a very clear, very comprehensive, very detailed checklist of every document and verification that's needed for application to avoid what developers complained was a seemingly never ending request in dribs and drabs for more and more documentation and verification. We've revised the design in architectural review that we imposed upon developers using the program and adopted a completely new approach to replace what was often a long iterative and painful process with a dramatically shorter process in which we use an architect certification combined with random audits to ensure compliance with a much reduced set of design requirements. Similarly, we're looking hard at all of our programs, not only to save time and money that can be put into affordable housing, but also to make our programs more effective at ensuring that the housing that we finance stays high quality and stays affordable over the long term. One early example is

that we've taken steps to improve all of our marketing functions at HPD. We've moved our marketing activities into the Office of Asset and Property Management to encourage better coordination and information sharing about units as they become vacant. We also are improving our online Housing Connect System, simplifying the process, making it more usable, more user friendly to the disabled and to those for whom English is not their first language. We're experimenting with ways of helping applicants get through the process which is often very complex, and we're helping--and by helping applicants make it through successfully, we will reduce both their frustration and the time spent. In addition we're revamping the guidelines that developers can use to assess the eligibility, and we have done extensive research and how and why applicants are disqualified and are setting forth guidelines to achieve greater consistency and fairness and to make the process more efficient. Finally, we're developing a technology system called E-Rent Roll that will make it easier for property owners to file information about their turnover that is required for sound asset management. It also will

allow HPD to monitor turn over to ensure that units, as units are re-rented they remain affordable, they go to the populations to which they were targeted, and in the past we often struggled to keep track of the units that were aimed for example at the formerly homeless or the units that were aimed at people with accessibility needs, but this new E-Rent Roll system will allow us to keep very close track of that and make sure that they go to the people for whom they were intended. As the Council well knows, we can't just build our way of the affordable housing crisis. For this reason we are very committed to preserving our existing housing stock. Preservation includes providing needed funds for rehab of buildings that are coming to the end of a regulatory period as well as providing funds to move housing that has not received subsidies in the past into affordability programs after bringing the building back to sound quality and financial health. To achieve those goals we've launched a strategic preservation initiative that brings experts from all aspects of HPD to work together not only to develop new preservation tools, but to ensure that our existing tools reach both a wider range of buildings than HPD has traditionally

1 reached. We're designing outreach strategies and
2 developing new loan products that will help us
3 preserve affordability in more building types and in
4 more neighborhoods across the city. We're analyzing
5 neighborhood and housing trends to ensure that we can
6 develop the best preservation strategies tailored to
7 each individual neighborhood's needs. And of course,
8 we're continuing to use our proactive preservation
9 initiative which addresses buildings that have fallen
10 into significant disrepair, but not so much that they
11 would enter our alternative enforcement program. The
12 proactive preservation initiative is successfully
13 getting HPP inspectors into buildings for top to
14 bottom, cellar to roof reviews, better informing us
15 of the true conditions and putting landlords on
16 notice that we're paying close attention to their
17 management and upkeep of the property. We're
18 basically considering every preservation tool and
19 strategy to give just one example. We're looking to
20 expand eligibility for various preservation programs
21 such as opening the LHDC, the tax credit preservation
22 year '15 program to state LIHTC deals. A critical
23 part of our preservation work will focus on small and
24 mid-sized buildings, including those that have not
25

historically worked with HPD. We're developing new tools like evaporating loans for energy and water efficiency retrofits that will help owners of those buildings improve and maintain their properties in exchange for entering into simple regulatory agreements to keep the buildings affordable as the neighborhood changes. Two-thirds of New York's 2.1 million renter occupied households are in units that have less 50 units--are in buildings that have less than 50 units. So it's really critical that we find better ways of working with those buildings, and we're putting a lot of effort into that. Let me turn now to the work that we're doing to house especially vulnerable New Yorkers. The housing needs of seniors is a key priority for the Council, the Mayor and HPD and an imperative for the entire community. While the need for senior housing is great, so too is the challenge of developing new housing for people whose incomes will not grow and likely will decrease. Earlier this year we committed to the Council to hold a number of round table discussions with advocacy groups and experts in trying to devise new models for meeting the housing needs of seniors, and I'm pleased that the first of those round tables is being

scheduled for early December. Unfortunately, as you know, the federal government has not stepped up and has not provided any new money in recent years for the 202 program, its signature senior housing program. The President has requested money in the budget in the 2015 budget and should Congress fund that program, we will aggressively pursue those dollars on behalf of the city, but even if Congress doesn't come through, we will use our city capital combined with tax credits and other funds to build senior housing. Operating subsidies are always a challenge to fund, especially because the federal government has reduced our section eight program. Never the less, we are committed to leveraging project-based section eight vouchers to make housing affordable to low income seniors and our partners at the Housing Development Corporation are also working on initiatives to better cross-subsidize affordable housing that would allow us to reach the lower income families that often include seniors. Finally, let me say that the development of our state legislative agenda is also progressing. We've been holding stakeholder briefings with advocates, organized labor, developers and we're pleased that Council

staff have been able to join us for those meetings. We're deeply committed to stemming the tide of deregulation that has resulted in so much loss of our rent regulated units and will be advocating for strengthening our rent regulation laws in Albany next spring. We also believe strongly that the 421A program could be reformed to be much more efficient and to be much more effective as a tool for affordable housing. We also will be advocating for changes for J51 program and are considering how best to fill the gaps of our various tax exemptions and loan authority. Let me end by saying thanks for the partnership that we have with the Council in addressing poor living conditions due to neglect and poor maintenance. While the vast majority of landlords provide high quality housing, we know all too well that a subset are not meeting the requirements of the housing maintenance code, are harassing tenants or are otherwise engaged in behavior that negatively impacts residential communities and tenants. We're pleased to have worked with the Council on legislation to provide the housing information guide, to increase penalties on landlords who have been found by court to have

harassed tenants, and to expand our alternative enforcement program, and to impose inspection fees on repeat violations in the same dwelling unit. The connections that you and your offices have to communities help us create a natural--help create a natural relationship with HPD in addressing those everyday but incredibly important maintenance concerns, and I look forward to working with you on the quality, on working further on the quality of housing issues. I appreciate the opportunity to testify before your committees and look forward to working with you on implementing the Mayor's visionary or rambunctious Housing New York Plan. Thank you.

CHAIRPERSON WILLIAMS: Thank you, Commissioner. Thank you for always being responsive to my office and to the Housing Committee. And Director?

CARL WEISBROD: Thank you very much, Madam Speaker, Chair Williams, Chair Greenfield, Chair Arroyo, Subcommittee Chairs Weprin, Dickens and Koo and members of the committee. Thank you for the opportunity to be here today to testify regarding the Mayor's Affordable Housing Plan, and it is a pleasure

2 to be here with my colleague, Commissioner Been, with
3 whom we work exceptionally closely on the
4 implementation of the Mayor's plan. And I also want
5 to say I'm joined by several of my colleagues at the
6 Department of City Planning, our Executive Director
7 Purnima Kapoor, our Deputy Executive Director for
8 Strategic Planning Howard Slatkin, and Anita Laremont
9 our General Counsel and others. And thank you, Mr.
10 Chair for accommodating my schedule. I have to Chair
11 myself a scheduled session of the Planning Commission
12 right after this. In March and May of this year, I
13 testified before the Council to outline some of the
14 major priorities I saw for the Department of City
15 Planning. Our main charge is to help execute the
16 Mayor's plan for housing production and
17 affordability, which includes developing and
18 preserving a total of 200,000 units of affordable
19 housing over the next decade. The Department's focus
20 on housing creation is coupled with a deep commitment
21 to ground up neighborhood planning efforts that
22 strengthen communities. We see our principle
23 strategy to be neighborhood development and the
24 outgrowth of that will be more affordable housing in
25 healthy and growing communities. As Commissioner

Been mentioned just now 40 percent of these 200,000
 affordable units will be new construction. This
 requires production of an average of 8,000 new units
 of affordable housing per year over the life of the
 plan, a 60 percent increase of the average annual new
 construction of affordable housing produced over the
 last decade. In addition, because our population
 continues to grow and exert upward pressure on rents
 citywide, we need to sustain higher levels of overall
 housing production to support housing affordability.
 The Department of City Planning recognizes this is a
 major undertaking, but we believe our goal is
 achievable. At the core of the plan is our
 commitment to expand the capacity for housing in all
 five boroughs by fostering diverse and livable
 neighborhoods. To fulfill this goal, the Department
 of City Planning working with you and other local
 elected officials together with residents and
 community organizations, local businesses and other
 stakeholders will be commencing planning studies in
 neighborhoods in each of the five boroughs in
 locations where we believe that potential exists to
 create new capacity for mixed income housing. We
 recognize that this effort must be undertaken through

2 ground up community planning that coordinates new
3 development with appropriate and necessary
4 infrastructure and city services. This September we
5 began a study of the area surrounding Cromwell and
6 Jerome Avenues in the Bronx in partnership with
7 Council Members Cabrera and Gibson. While our work
8 in Cromwell Jerome continues, I am pleased to
9 announce today that we are starting a housing study
10 in another borough in Queens. In collaboration with
11 Council Member Peter Koo, the Department is launching
12 a study of Flushing West, an area many advocacy
13 groups and other community stakeholders have been
14 active in for some time. We have already devised a
15 template for how this work in studies across the
16 city. For the past few years, our Brooklyn office has
17 been engaged in the planning process with the
18 community in East New York, a vibrant diverse
19 neighborhood that has been left behind even as many
20 other parts of Brooklyn have thrived. This transit
21 rich area offers an easy 30 minute commute to lower
22 Manhattan and downtown Brooklyn and east to JFK and
23 Long Island via the Long Island Railroad. Our
24 planners have been out in the community meeting with
25 all stakeholders and listening to their vision for

the community in close partnership with elected officials including Council Members Espinal and Barron and their predecessors before them, community members, business leaders in the Cypress Hills Local Development Corporation. We have developed a framework for growth and revitalization that will create the opportunity for thousands of units of new mixed income and affordable housing, much needed retail jobs and services which also addressed the physical infrastructure needs of the neighborhood. We have been engaged with our sister agencies, city agencies, who have joined us at community planning sessions to ensure that our planning work comprehensively addresses infrastructure and service needs, access to jobs and training, and ensures that the people in the community can continue to be partners in the revitalization of their neighborhood. Based on this collaborative approach we have with the East New York community outlined the strategy that includes increased density. Stakeholders recognized the need for this density to achieve all the communities objectives, including affordable housing, more and better retail and services. And the Department understands the city's obligation to

1 produce the timely infrastructure and services
2 increased density requires. In our work around
3 Cromwell Jerome in the Bronx, our staff is engaged in
4 the same kind of activities. With assistance from
5 the Cromwell Jerome Planning Group, established for
6 the purpose of advising the agencies on the study,
7 DCP has started a visioning process. This planning
8 group includes the two local Council Members and
9 organizations including the Women's Housing and
10 Economic Development Corporation, that's WHEDCO, New
11 Settlement Houses and others. We will engage
12 similarly with communities throughout the city to
13 identify other opportunities for growth and
14 redevelopment. We will work towards shared goals of
15 providing new housing options, necessary services,
16 and economic development opportunities in each
17 borough and throughout the city. The Department
18 plans to launch neighborhood studies supported by our
19 borough offices and local planners that incorporate
20 the techniques I've just set forth. City Planning is
21 also playing an enhanced role, as I believe you know,
22 in the city's capital budget planning process, and
23 one important benefit of that is that it will enable
24 us to better mesh the level and timing of the city's
25

capital investments in neighborhoods with new residential development. In each neighborhood, City Planning and HPD will partner on strategies to deploy the city's many programs and resources for the preservation of existing affordable housing and the development of new affordable housing, and at the same time we will be implementing a mandatory inclusionary zoning requirement as part of all our future rezonings that substantially increases the potential for housing capacity in medium and high density areas. This will require a portion of the new housing developed in these rezoned areas to be permanently affordable to low or moderate income households in order to ensure diverse and inclusive communities. In neighborhoods where the housing market is strong and prices are high, mandatory inclusionary housing will enable economically diverse housing in locations where affordable housing developers are generally unable to acquire sites on their own. In neighborhoods where the housing market is not as strong, mandatory inclusionary housing will complement the wide range of programs HPD has that can create substantial amounts of affordable housing and will in the longer term push in the impacts of a

rising housing market. Mandatory inclusionary zoning will not necessarily be exactly the same in each such neighborhood, but within each neighborhood, once enacted our goal is to assure that it will be predictable, as of right and required. Last week, the City Council Land Use Committee modified the Astoria Cove private application, a development that includes an interim form of mandatory inclusionary zoning. I want to thank the local Council Member Costa Constantinides and Chairs Greenfield and Weprin for their leadership on this historic proposal. The project has been rightfully hailed for its pioneering commitment to mandatory inclusionary affordable housing and is a model of how the Executive and Legislative branches in the city can work together to achieve a desirable goal. But there is also a less publicized element of the Astoria Cove project that I would like to highlight. For all the discussions about levels of affordability and several other concerns, density, height and bulk frequently the contentious battleground overdevelopment in the city was never an issue. In my view, that is because the project assures that the necessary amenities of a school, high quality open space, transportation

infrastructure, as well as more and better retail services are central ingredients in the Astoria Cove endeavor. This was an essential goal for us at City Planning, a goal that we know you share and is central to our thinking on neighborhood development going forward. We know that neighborhoods are often wary of increased density. Their fears are often understandable. We must be able to effectively and credibly allay their concerns by assuring that increased density will be accompanied by public investment in infrastructure, including schools, open space, better transportation and a more attractive street environment as well as enhanced services including better retail that will provide the needed support for both existing and future residents. City Planning is now working closely with the Office of Management and Budget, the Mayor's Office of Operations and the Office of Resiliency and Recovery in developing the city's 10 year capital strategy. For the city, this is a significant departure from decades of what have been essentially bilateral negotiations between OMB and the city's capital agencies with limited coordination among them as to where investments are being made. While maintaining

the fiscal discipline, the city has demonstrated for decades now, the upcoming 10 year capital strategy aims to align the city spending on strategic priorities in order to create a plan that not only improves and maintains our infrastructure in a state of good repair and fulfils regulatory mandates, but also allows and allocates capital investments that promote equity, economic growth, energy efficiency, resiliency and sustainability on a neighborhood level. Through the release of the 10 year capital strategy, we also hope to make the plan and planning process more easily accessible to all New Yorkers incorporating relevant maps, diagrams and descriptions on how the capital strategy will improve city systems and neighborhoods and ensuring appropriate opportunities for public input. What will all of this mean? This will translate into improved quality of life in neighborhoods throughout New York City. Over time, I anticipate that with new housing the city will be able to fund schools when needed, more open space, better street scape and updated infrastructure. Over the next few months, City Planning working with HPD will expedite the completion of a study to provide the foundation

needed to develop the mandatory inclusionary housing program. Our team has met with Council staff to share the study methodology and get feedback on the process. In the spring we intend to introduce into the public review process, a zoning text amendment to establish this mandatory inclusionary program.

Alongside this text amendment we will also introduce additional proposals to support the production of affordable housing in medium and higher density districts. These will include changes to provide relief where the building envelope makes it difficult to fit all permitted floor area or provide high quality ground floor spaces, reductions in unnecessarily high parking requirements for affordable housing, and changes to better enable the construction of senior housing. The Administration also understands the need to account specifically for the most vulnerable New Yorkers, which is why the housing plan specifically promotes more units for homeless families and senior with supportive and accessible housing. We will continue to engage communities, especially those that have been left behind in the last decade, in reimagining and strengthening their neighborhoods based on a shared

2 vision of opportunity. We look forward to working
3 with you on the Council, neighborhood residents,
4 civic leaders and others to ensure that our plans for
5 future growth are based on the real needs and
6 aspirations of neighborhoods, and I welcome your
7 partnership and look forward to continuing our work
8 together to support the city and our collective
9 future. Thank you.

10 CHAIRPERSON WILLIAMS: Thank you. Just
11 going to quickly run down how we're going to do the
12 questions. First, the Speaker is going to ask some
13 questions. I'm going to ask some questions. My
14 other two Co-chairs, Council Member Arroyo and
15 Greenfield will ask some questions. We're then going
16 to start the five minute clock and first begin with
17 the Subcommittee Chairs Dickens, Koo and Weprin, and
18 then I'll read the list as we have it for now,
19 Council Members Kallos, Lander, Levine, Rosenthal,
20 Corwley, Cornegy, Gentile, Rodriguez, Mealy, Weprin
21 and Dickens. And I know that Director Weisbrod has
22 to leave. Thank you, Commissioner for agreeing to
23 stay as--Commissioner Been, thank you for agreeing to
24 stay as long as needed, and I'd like to pass it off
25 to the Speaker.

2 SPEAKER MARK-VIVERITO: Thank you, Chair
3 Williams, and I want to thank Chair Weisbrod and
4 Commissioner Been for your testimony. I'll just make
5 a couple of quick comments, and then I just have
6 specific question, as I know a lot of the questions
7 that I would have would definitely be picked up by my
8 colleagues. But, you know, I have to say that the
9 idea of focusing on neighborhoods I think is critical
10 in terms of a vision. I think the prior
11 Administration there seemed to be really no rhyme or
12 reason as to what was being done, in my opinion. It
13 was just about building units, and I think that that
14 created a lot of tension, and I think that the idea
15 of looking at neighborhoods, that part of that has to
16 be an investment and a commitment to infrastructure
17 is critical. I know there was a lot of pushback in
18 the rezonings that happened in my district because
19 there was really no vision for that, and I think what
20 you alluded to about Astoria Cove I think proves that
21 to some extent. So that's really, really important.
22 Also the fact that you're focusing on looking at
23 vacant lots, abandoned buildings. I know that early
24 on in my Administration I tried to engage with HPD
25 because we have one owner who owns a lot of vacant

buildings in my district, and tried to engage him productively to figure out ways that we could incentivize them going online, but because that was not really part of the overall vision, I think of the last Administration, it really was--we were not able to do much with that. So I think that's really incredibly important for communities like mine. I think Council Member Dickens might have the same situation where we have a lot of empty buildings, you know, and empty lots. So that's going to be critical for us moving forward. And the one thing that I would like to say is that for me, personally, the issue of the preservation aspect of this plan is more important because of the communities that I represent, particularly in East Harlem where the pressures are really strong and gentrification is taking hold rather quickly, and in the South Bronx you're starting to see that creep in a little bit. So the idea of bringing on any new units that could actually add to the pressure of an already delicate situation, I'm wary of. Right? I want to see the preservation. I know we've had this conversation, that I really want the focus for me to be on what preservation plan is, what is the--you know, is it

well thought out and what is being done because the pressures are so big in communities that I represent. So, that's something that I know is my focus, is the preservation aspect. I want to see and be and know that there's a genuine commitment from the city on the preservation aspect before I start really delving deeply into the new construction aspect. So, just for that. So the question for me I wanted to touch on quickly is the issue of NYCHA, because NYCHA is mentioned in the plan. We all know, and I've said having the most public housing in the city of New York in my district that the cornerstone of affordable housing in the city is our public housing stock, and that we always have to make that a priority. So I'm glad it's at least mentioned in the plan, and we know it's--NYCHA's home to over 400,000 New Yorkers, so that's critical. And so as I've said the fact that it's acknowledged is great, and it's a critical resource in need of preservation. I just want to understand if you've maybe take it a little bit deeper than what you've presented in the plan of what you're looking at when it comes to NYCHA and preservation.

2 COMMISSIONER BEEN: I'm sorry. Thank you
3 for those comments, and I just want to say we
4 couldn't agree with you more about the importance of
5 preservation and are really trying to target a
6 strategy for every single neighborhood that, you
7 know, that we're working in, and doing that before
8 and alongside any new construction that we're doing.
9 Let me turn to my colleagues from NYCHA to give an
10 update on exactly where we are in terms of the
11 preservation and development of the NYCHA housing.
12 So, Bill Crawley, who is the Director of Development,
13 do I have that title right, Bill? Sorry. From
14 NYCHA.

15 CHAIRPERSON WILLIAMS: Sorry, I got to
16 find the swearing in stuff. Sorry, can you please
17 raise your right hand?

18 BILL CRAWLEY: Yeah.

19 CHAIRPERSON WILLIAMS: Do you affirm to
20 tell the truth, the whole truth and nothing but the
21 truth in your testimony before this committee and to
22 respond honestly to Council Member's questions?

23 BILL CRAWLEY: Yes, I do.

24 CHAIRPERSON WILLIAMS: Alright, thank
25 you. Swearing in stuff is a technical term.

2 BILL CRAWLEY: Yeah, so good morning. My
 3 name is Bill Crawley. I'm Vice President for
 4 Development at NYCHA. To answer the question
 5 directly, NYCHA's primary focus as we speak is
 6 developing a plan focused on preservation with the
 7 assumption being that a great deal of the New Yorkers
 8 who live here in the city who are at the lowest end
 9 in terms of AMI live in our developments. So we're
 10 now doing a comprehensive analysis internally to
 11 determine what the capital needs are for our
 12 developments to focus on the intelligent deployment
 13 of the capital that we're allocated from HUD and to
 14 figure out ways to leverage that capital with tax
 15 credit equity and debt theoretically through HDC and
 16 other sources. The focus on preservation, though, is
 17 the primary focus for us going forward.

18 SPEAKER MARK-VIVERITO: Right, but I
 19 guess the question is on the city side, and I know
 20 NYCHA's an authority so it's always a little bit
 21 mixed, but I want to understand from the
 22 Administration's side in terms of capital commitment
 23 to NYCHA as a way of ensuring preservation, right?
 24 So, is there--understanding you want to leverage and
 25 we want to go to the feds, and the feds aren't giving

us enough money, we get that, but in terms of being able to get a real monetary investment and commitment from the Administration and also to make that request at the state as well, which has not given us anything for public housing, right? So, is that part of the vision?

BILL CRAWLEY: It is very much part of the vision and I think that the answer is that we've got to work with our colleagues at other city agencies to come up and craft a plan to do exactly that. The first step, of course, is to identify with a level of precision what those capital needs are so that when we leverage whatever resources we have here at the city and from the state presumably the state will provide some support that we're doing it in the most strategic approach possible so that we're getting the most bang for the buck depending on where the developments meaning the actual buildings are located and what their capital needs are.

SPEAKER MARK-VIVERITO: So, the question is just on--last on the NYCHA issue. So, because obviously we went through this phase in the last cycle, which I know it's not being call--it's being shelved and it's not being called In-fill any more,

1 with this idea of doing development within
2 developments and NYCHA property as a way of
3 leveraging more resources. Is that going to be--I
4 know there's a whole process of doing it from the
5 ground up, more community involvement, that's great,
6 but is it going to be based now as opposed to where
7 the hot market is? Because I know I had three
8 developments identified in my district. Is it
9 looking at maybe where the greatest capital need
10 might be and maybe looking at focusing in those
11 neighborhoods? How are you going to envision that
12 differently?
13

14 BILL CRAWLEY: So, internally we're
15 developing what we're calling an asset management
16 matrix. It's almost like an asset management
17 approach to development if you will, whereby we
18 identify those developments that have the highest
19 capital needs, those developments where the capital
20 invested from whatever source can reduce the
21 operating expenses of the properties of the buildings
22 themselves. Where there's an opportunity to focus on
23 development per say, you know, we are not looking at,
24 you know, high end or, you know, high rent district
25 developments at this time. We just completed, which

some of you may be aware of, and Madam Speaker you're probably aware of it of course, a very intensive resetting effort with our residents in Millbrook and Betances in the Bronx along with VanDyke and Ingersoll in downtown Brooklyn, and the whole focus was to really engage with residents to figure out what the vision is for their developments, and what we heard pretty clearly was a desire to have development, but a development at AMI levels that would be consistent with their needs and also offer the possibility of NYCHA to do some sort of right-sizing to find new opportunities for seniors, for example, to move into high quality low rent new construction potentially. But as I mentioned before, the first step as my colleague Carl pointed out was to be as thoughtful as we possibly can about a preservation strategy as a way of preserving the housing stock that you talked about at the very beginning of your comments.

SPEAKER MARK-VIVERITO: Right. And that opportunity that doing in-fill, I'm just going to call it in-fill because that's what we all understand it, within NYCHA, you know, to see it as a way of leveraging multiple needs, right? We have the

downsizing issue for seniors, but we also have the vision that the Mayor has laid out in his housing plan, right? A 50/30/20 model or making it, you know, more the lower--you know, low income housing that you're looking to do. So, using those opportunities to leverage, you know, that to address the needs that you laid out and the vision that the Mayor has laid out I think is critical, and I don't think that really was there before. But thank you for that, and I'm going to have to step out, but I know that a lot of questions are on the table here. Thank you, Chair Williams.

CHAIRPERSON WILLIAMS: Thank you, Madam Speaker. I appreciate your presence to highlight how important this issue is. I want to recognize Council Members Rodriguez, Weprin, Treyger, Mendez and Wills, and I have a few questions. So, the plan, it wasn't mentioned I don't think in the testimony, but the plan discussed the creation of a housing plan Implementation Advisory Board. I wanted to know if this board has been convened? Who was invited to participate, and how were these individuals identified and invited, and what will be the

2 findings--when with the findings of the board be
3 released?

4 COMMISSIONER BEEN: So, the plan laid out
5 a plan, sorry. The plan laid out a plan for the
6 Implementation Advisory Board, and that
7 Implementation Advisory Board has been convened. It's
8 made up of members of tenant protection groups,
9 affordable housing developers, nonprofit housing
10 developers, lawyers who participate in the deals, you
11 know, a wide range of experts. We've had, I think,
12 two meetings, and during those meetings we gave
13 updates on where we were about various aspects of the
14 plan, and then posed questions that we were finding
15 particularly vexing. So for example, in one of the
16 discussions we had a discussion about, you know, how
17 you deal with the fact that when we announce a
18 subsidy it translates back into the land price that
19 we're seeing, which is something that we had seen in
20 East New York. So they've really been used as ways of
21 tapping the expertise of a wide variety of, you know,
22 folks in the room.

23 CHAIRPERSON WILLIAMS: How many people
24 are on the board?

2 COMMISSIONER BEEN: I want to say around
3 50, but I'll get the exact number and I can get you
4 the list of who's on the board.

5 CHAIRPERSON WILLIAMS: That's a lot. How
6 did you identify? Who chose them?

7 COMMISSIONER BEEN: They were chosen by
8 the Deputy Mayor's Office in consultation with all of
9 us, and they were, you know, folks that we had been
10 hearing from throughout the process of devising the
11 plan, and who had, you know, certainly shown
12 themselves to be very thoughtful experts who could
13 put aside their self-interest and really think about
14 the policy issues.

15 CHAIRPERSON WILLIAMS: Were any of the
16 advocates reached out to?

17 COMMISSIONER BEEN: Oh, yeah, there are
18 many advocates on there.

19 CHAIRPERSON WILLIAMS: I know that I
20 wasn't and I don't think the Council Members were
21 asked about the board. I know we're going to work on
22 this in tandem, so it would have been, I think, nice
23 if we had reached for suggestions of who we might
24 think might provide some good information on the
25 board. So I don't know. It sounds like it's a big

board, but I don't know if there's room for us to weigh in still, and I would ask that you can provide the names of the people who are on the board, and perhaps we can talk about any suggestions that we may have to make the board even better.

COMMISSIONER BEEN: Uh-hm.

CHAIRPERSON WILLIAMS: How does HPD define affordable just in general? I usually the word income targeted, because affordable has kind of just been thrown around. Do you have a particular definition of it, and what is your thinking on the word affordable?

COMMISSIONER BEEN: Well, so I mean, affordable means different things depending upon the context, right? So our basic notion is that housing is affordable to a family if it's paying no more than 30 percent of its income for that housing, for housing and, you know, electricity, etcetera. So that's how we define when is housing affordable to the families that live there, right? But when we talk about what housing counts as affordable housing, then we usually refer back to the AMI levels that HUD sets for the New York area, and we define as affordable housing anything that is restricted for

2 under the terms of a regulatory agreement or an
3 enforcement mortgage that is under 165 percent of the
4 local AMI.

5 CHAIRPERSON WILLIAMS: Local meaning New
6 York City. Okay. You spoke about since the Mayor
7 took office we have closed a total of 10,846 units.
8 I think the Mayor's Management Report it mentioned
9 about 8,000. So are these newly constructed? Are
10 these preserved? What do these numbers made up of?

11 COMMISSIONER BEEN: So, the 10,846 is--
12 the Mayor's Management Report went up to June. These
13 are the ones that--the additional ones are ones that
14 we've closed since June, and it is about 33 percent
15 new construction and 67 percent preservation.

16 CHAIRPERSON WILLIAMS: Okay, and by the
17 end of the year, how many do you think you have
18 preserved, or?

19 COMMISSIONER BEEN: We anticipate that we
20 will close a total of about 16,000 units, and my hope
21 is that we will get that new construction number up a
22 little bit, probably, you know, I would say probably
23 around 35 percent, but it's going to take us a while
24 to ramp up to the 40 percent of new construction,
25

2 just because new construction is longer in the
3 pipeline.

4 CHAIRPERSON WILLIAMS: So, I mean, in
5 general I guess you'd have to build about 20--build
6 or preserve 20,000 per year. So we're going to fall
7 short this year, and I guess we have to make it up in
8 the next nine years.

9 COMMISSIONER BEEN: Well, we don't
10 considering it for short, because we always
11 understood that it would take some time to ramp up,
12 meaning the agency when I took over was, the
13 development parts the agency, the parts of the agency
14 that are involved in development had about 40 percent
15 less, fewer staff members than it did during the peak
16 production year of 2008. So, we've had to do a lot
17 of hiring. We've had to do reorganization. Just
18 takes a while to ramp up. So we never expected that
19 we would be at 20,000 this first year. we knew it
20 would take a while to ramp up. So, we are on target.
21 We understand that in later years there will have to
22 be more than 20,000 to average 20,000 over the 10
23 year period.

24

25

2 CHAIRPERSON WILLIAMS: Do you have the
3 breakdown of the 10,846 units? What are the AMI's in
4 the--

5 COMMISSIONER BEEN: [interposing] Yes, I
6 do. So of the 10,846 units, let's see, 27 of the
7 units are for extremely low, which means below 30
8 percent AMI.

9 CHAIRPERSON WILLIAMS: It's 27 percent or
10 27 units.

11 COMMISSIONER BEEN: Twenty-seven units.
12 1,176 units are from 31 to 50 percent AMI, which is
13 very low income. Seven thousand 903 of the units are
14 between 51 and 80 percent of AMI.

15 CHAIRPERSON WILLIAMS: Sorry, you said
16 the 793?

17 COMMISSIONER BEEN: Seven thousand 903.
18 Four hundred and 19 of them are between 81 and 120 of
19 AMI, and then 1,235 are between 121 and 165. So
20 those are middle income apartments.

21 CHAIRPERSON WILLIAMS: And I apologize
22 for not being able to do the math quickly, but do you
23 have that in a breakdown of percentages?

24 COMMISSIONER BEEN: Yes, I do. Okay. So
25 the extremely low income, it's less than one percent,

and that's what I was saying earlier. It's going to take us a while to re-direct our programs to those extremely low and very low income units. As you know, in the housing plan, we committed to quadruple the number that were going to those families so that a total of 20 percent would be going to households in the very low and extremely low income. So far, of those 10,846 we've done 11 percent of them are at the very low or extremely low. So, we've got room to go there. We have room to go.

CHAIRPERSON WILLIAMS: So, the--

COMMISSIONER BEEN: So, it's less than one percent below 30, 11 percent 31 to 50, 73 percent 51 to 80, four percent 81 to 120, and 11 percent 121 to 165. So, in the new term sheets that I mentioned to you, we are--

CHAIRPERSON WILLIAMS: [interposing]
Sorry, just do the third one again. It was one percent, less than one percent for extremely, 31--11 percent for 31 to 51 percent, and what's the other income range?

COMMISSIONER BEEN: Seventy-three percent are at 51 to 80 percent of AMI, four percent are 81

to 120 of AMI, and 11 percent are 121 to 165 percent of AMI.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: So, what I was explaining is one of the programs that we're rolling out in the term sheets that we posted last week are a program that we have affectionately called ELLA [sic], the extremely low income program, and that will require developers who are using that program to provide 40 percent of the units in the project will be affordable to those 30, 40, 50 percent AMI levels. In addition, we are requiring across the board in our programs for developers to provide more--

CHAIRPERSON WILLIAMS: [interposing]
Sorry, which program is going to mandate 40 percent?

COMMISSIONER BEEN: It's called ELLA, the extremely low income program, extremely low income and low income affordability program.

CHAIRPERSON WILLIAMS: And how many units do you expect to get from that program? Can we close the back door, please?

COMMISSIONER BEEN: So, I mean, that's a hard number to project, because it's a brand new program, so we're going to see how it rolls out. So,

but we expect that many of the programs that are now targeted at like 50/60 will move down a little bit in order to qualify for that program.

CHAIRPERSON WILLIAMS: Do you have an anticipated number? Do you have a goal that you're reaching for? How many units are you trying to get?

COMMISSIONER BEEN: well, the goal overall is the 20 percent of all of our housing will be at that very low and low income and extremely low income targeted bands.

CHAIRPERSON WILLIAMS: So, it's about--so is that 40,000?

COMMISSIONER BEEN: So, 20 percent of 200,000 is about, yes, 40,000 units.

CHAIRPERSON WILLIAMS: And that--so you're trying to get 40,000 for the under 30 percent or 30 percent between--

COMMISSIONER BEEN: For under 50 percent. So very low income is 30 to 50. Extremely low income is zero to 30.

CHAIRPERSON WILLIAMS: Alright.

COMMISSIONER BEEN: And we committed to do 20 percent in those two categories, 20 percent total.

2 CHAIRPERSON WILLIAMS: Okay, I'm going to
3 come back to that. The preservation--

4 COMMISSIONER BEEN: Uh-huh.

5 CHAIRPERSON WILLIAMS: I know we actually
6 got a lot of the--

7 COMMISSIONER BEEN: [interposing] I'm
8 sorry, Chair Williams, that's for both preservation
9 and new construction, the 20 percent.

10 CHAIRPERSON WILLIAMS: Okay. I am glad
11 that we're focusing a lot on preservation. I know in
12 the finally the former Administration believed us
13 when we said we had to preserve more than we built.
14 So we grabbed a lot of those that were kind of low
15 hanging fruit. I'm trying to get a better
16 understanding of where you're going to get the
17 120,000 to preserve now.

18 COMMISSIONER BEEN: So I divide the
19 preservation world into really about three or four
20 different categories. The first category is that we
21 have a great many units that have received some
22 subsidy in the past, either through the low income
23 housing tax credit program, a HUD multifamily
24 program, Mitchell-Lama, or project-based section
25 eight. As those units reach the end of their

expiration period, their regulatory agreement expires. We try to keep every single one of them in the program, right? And we start that outreach years in advance when we have more leverage than if we're up against the gun at the very moment that they're coming out of their regulatory program. So, those provide, you know, tens of thousands of units every year. I think in those four programs, about 50,000 are coming up for the end of their regulatory program just in the next few years alone. So that's our main preservation program, right? That's traditionally what we've always used as the main preservation program. In addition to that, there are buildings that have received some sort of assistance in the past, but aren't in one of those four main programs, the tax credit, the Mitchell-Lama, the project based section eight or the HUD multifamily.

CHAIRPERSON WILLIAMS: I'm sorry, just repeat the first part again. Which one's your main? Say that again.

COMMISSIONER BEEN: So, trad--the main preservation programs have always been what I call the expiring uses, those buildings in those four programs which are catalogued in the subsidized

housing information project that are reaching the end of their regulatory agreements. That's always been the sort of bread and butter of preservation programs.

CHAIRPERSON WILLIAMS: How many of those units you think are left to preserve?

COMMISSIONER BEEN: So the Furman Center, which doe the SHIP is coming out with a new report, my understanding is very soon that will catalogue exactly what all the numbers are, but we know that in, I think, between now and I believe it's 2020 there are about 56,000 I think coming due. I can get you those exact numbers. So that's part one. So part two is that we had many, many buildings that were preserved through a wide variety of other programs. There are over the course of New York City's affordable housing history, since Mayor Koch launched the programs, there have literally been hundreds of different affordable housing programs. Only those top four are catalogued in the subsidized housing information project, but there are many thousands of units in those other programs, and we're reaching out to all of those as they reach the end of

2 their affordability periods to keep them in as well.
3 Okay? So that's the second category.

4 CHAIRPERSON WILLIAMS: How many units do
5 you think that is?

6 COMMISSIONER BEEN: That is a very hard
7 number to come up with. Again, we think that it's
8 tens of thousands over the next really six or so
9 years.

10 CHAIRPERSON WILLIAMS: Tens like 20 or
11 tens like 50?

12 COMMISSIONER BEEN: No, more probably
13 like 30,000 but it's a very squishy number because
14 those, the data on those units is just--is not
15 catalogued in the SHIP because they're on old Wang
16 [sic] computers among other things, and they're each
17 kept separately. So it's a little hard to give you
18 an exact number, but I can give you more details
19 about each of the individual programs. The third
20 category is these small buildings that we are going
21 to be targeting very much, and as I said, you know,
22 half of the city's renters are in buildings under 50
23 units, and those buildings have traditionally not
24 been a major focus of our preservation efforts.
25 We've had some programs aimed at them. For example,

we had a small building loan program really in about 2008, 2007, but we are going to be making a very concerted effort to reach those buildings, and those will require different kinds of programs. Often in some of the things that we're trying to develop are for example, evaporating loans for energy retrofits, water retrofits, rehab of you know, roof replacements, those kinds of things where we would offer the owner a loan. That loan would evaporate during the years in which affordability was preserved in those buildings. So that's going to be a major effort. It's going to be tied very closely with the Mayor's initiative on climate change and on energy and weatherization upgrades.

CHAIRPERSON WILLIAMS: About how many units do you think that is?

COMMISSIONER BEEN: That's--I mean, there are hundreds of thousands of those buildings. Obviously, we will only be able to reach and convince some of them to come in, but we expect that we will be able to reach that 120,000 number through the combination of those three programs.

CHAIRPERSON WILLIAMS: How many units do you suspect to get from the small buildings?

COMMISSIONER BEEN: I don't have a specific number.

CHAIRPERSON WILLIAMS: I think it's important to have these numbers. So far you said 86,000, and I'm interested to know in the small buildings, because it seems like we're aiming for that number exactly, and I don't think we can hit the number if all we have is 120. We've already counted 86,000, so you'd have to--

COMMISSIONER BEEN: [interposing] I said I believe based on the numbers that we have, based on the projections that we have, that we will not have any trouble meeting the 120,000.

CHAIRPERSON WILLIAMS: I'm trying to figure out how you would calculate that if you don't have the numbers for small buildings.

COMMISSIONER BEEN: Because, I mean, I can give you numbers, but until we roll out some of the programs and actually test them, it's, you know, a projection, and I'm happy to--

CHAIRPERSON WILLIAMS: [interposing] Well, I'd love to have the numbers now and we can talk later.

2 COMMISSIONER BEEN: Okay. I'm happy to
3 give you some projections.

4 CHAIRPERSON WILLIAMS: Yes.

5 COMMISSIONER BEEN: With the caveat that
6 with new programs you're always making a projection
7 that is going to have to be adjusted based upon real
8 life experience.

9 CHAIRPERSON WILLIAMS: Fantastic. We are
10 talking about numbers projected that may change based
11 on real life things that happen. So what are the
12 number that you have projected for small buildings?

13 COMMISSIONER BEEN: I can give you all of
14 those breakdowns. I'll send you all of those
15 breakdowns.

16 CHAIRPERSON WILLIAMS: Okay, so--

17 COMMISSIONER BEEN: [interposing] We have
18 it broken down by--

19 CHAIRPERSON WILLIAMS: [interposing] So,
20 we have the number for expiring uses which is what
21 you're saying now 56,000. Another variety of
22 programs, 30,000 and we don't have the number for
23 small buildings today.

24

25

2 COMMISSIONER BEEN: They are broke down in
3 a variety of programs and I do not have, but we
4 expect that we will be able to get to the 120,000.

5 CHAIRPERSON WILLIAMS: Okay. I look
6 forward to seeing those numbers fairly soon, please.

7 COMMISSIONER BEEN: Okay. There is a
8 fourth category which is that there are buildings
9 sometimes that have expired out in the past or that
10 are--need recapitalization. They're selling,
11 etcetera, and we reach out to those buildings as well
12 and try to convince them either to come back into the
13 program or to enter rent stabilization in exchange
14 for tax emptions and other things, and that again is
15 a very squishy number because those are very new
16 programs.

17 CHAIRPERSON WILLIAMS: Squishy is a
18 technical term.

19 COMMISSIONER BEEN: Squishy is a
20 technical term.

21 CHAIRPERSON WILLIAMS: Do you have a
22 squishy projection?

23 COMMISSIONER BEEN: As I said, I will get
24 you all of that squishiness with the caveat that, you
25 know, these are new programs.

CHAIRPERSON WILLIAMS: Okay. I just would say it would be--we waited a very a long time to have this hearing, and I actually pushed it back a few times because we were told that we would have the information by the time we had the hearing. So, I would love to have squishy or nonsquishy numbers to the questions that I'm asking, and I'm sure my colleagues feel the same way because we waited such a long time with the anticipation that these numbers would be ready when we had the hearing.

COMMISSIONER BEEN: Dually noted.

CHAIRPERSON WILLIAMS: It's a very big concern and I know it's a concern for my colleagues and the people who will be watching this because this is a very big lynchpin, as I mentioned, as the Mayor's plan, and so we hope to get those numbers very soon.

COMMISSIONER BEEN: Of course, but let me just say one other thing about those numbers, which I think is not being appreciated here. The numbers are a great thing and goals are a great thing, and ambitious targets are necessary to keep us all on board. They can also be used in ways that I don't think you are sufficiently appreciating, and that is

that if I give numbers for each and every program, they become leverage points, because when I'm trying to close deals, a developer will say to me, "You know what, you projected that there would be 1,326 units in this category this year and you're short." And it becomes a constant source of tension when there are lots of little numbers, lots of numbers that add up to the big total. So for that reason we did not release numbers for each and every program. It's never been our practice to release numbers for each and every program because we think we need the flexibility. We think we need to be able to average it over years so that people don't think that that's a point of leverage as we negotiate to try to drive the subsidy, to try to stretch the subsidy as far as possible.

CHAIRPERSON WILLIAMS: So for clarity, and I'm probably speaking for all of my colleagues, we definitely appreciate and understand everything that you've said. I'm not sure if you appreciate that we want to help put this plan together, and we believe that those same reasons you gave are the reasons that we need the number so that we can make sure that we're on track and we can put as much

pressure or non-pressure as needed to help achieve those goals, and it's hard to talk about a plan if we don't have numbers that we're trying to talk about, squishy or not, as my co-chair just mentioned. So, I hope you understand that we are clear and appreciate everything you said, and I hope you're clear and appreciate that I'm saying.

COMMISSIONER BEEN: Absolutely.

CHAIRPERSON WILLIAMS: Thank you. Back-- I'm going to just ask a couple of questions and then have my co-chairs. You mentioned the 50/30/20 model, is that the numbers from the HGC loan interest program?

COMMISSIONER BEEN: It is what we call our M squared program, which is mixed middle income. That's the two "m's" the M squared or the M2 program. The mixed middle income program, and yes, that is an HGC program, primarily.

CHAIRPERSON WILLIAMS: So that's 50 percent market, 30 percent 175 to 200 percent AMI and 20 percent 40 to 50 percent AMI?

COMMISSIONER BEEN: No, the M squared is-- at least 20 percent of the units have to be below 50 percent AMI with at least 15 percent of those set

aside for low income families earning less than 40 percent AMI. So this is, again, the attempt to make sure that we reach those extremely low and low income families. Thirty percent are between the 30 of the 50/30/20, are between 80 and 130 percent of AMI, and then the other 50 percent are middle income families earning up to 130 percent of AMI.

CHAIRPERSON WILLIAMS: Alright. I actually have a lot of questions about this. I'm going to ask two more and then pass it on. My colleagues will probably come back on this and if we don't, I probably will spend a considerable amount of time on this before we close out. Just two more questions. One, I was excited to hear about the neighborhood approach as the Speaker was. I think one of the downfalls of the last ambitious plan they didn't think about it as neighborhoods. They just built units. They didn't think about stores and grocery stores and things that make a community a community. So I'm happy that's happening. Can you just describe to me a little bit how--you did briefly. This might be for Director Weisbrod a little bit more, but how we're engaging the communities that we'll be going into, particularly

around where we're going to have to do some upzoning in some places, and how are we engaging communities to make sure they understand what we need to do and we also are trying our best to keep the character of the neighborhood still intact.

CARL WEISBROD: Yes, well we approach each neighborhood after full discussions with elected officials, particularly the Council Member in each community. We engage in visioning session with the community to understand what their needs are and what their interests are. That is--we talk to the local organizations in each neighborhood, the businesses. We engage our sister agencies, and obviously most importantly HPD, but also including EDC and Department of Small Business Services, which is essential from the retail side, and we try to enter into a dialogue to create a general consensus. We understand that it is virtually impossible in the city of New York to achieve unanimity on anything, but we do believe that we can achieve a general consensus on the way to proceed, and when that general consensus of a vision is established, we try to incorporate that into a zoning proposal that we think can be embraced by the community, by the

1 elected officials and that not only can be embraced,
 2 but that is implementable in the sense that it is
 3 economically feasible, can produce the goals that we
 4 anticipate and lead to a much healthier community.
 5 Obviously, and important part of that is our
 6 understanding of what public investments need to be
 7 made in these communities and to assure that those
 8 public investments are made at a time when increased
 9 density is going to be realized. So it's a--you
 10 said, Mr. Chairman, it's a slower process to be sure,
 11 but we think it's a healthier process and leads to a
 12 better result.

14 CHAIRPERSON WILLIAMS: Thank you. I'm--I
 15 do--I'm waiting patiently to hear when Council Member
 16 Barron has some questions, because I know she was one
 17 of the persons you mentioned that were a part of
 18 those discussions now, so hopefully it's going as you
 19 mentioned. Hopefully, not like the advisory board
 20 where we didn't have any input at all. I have one
 21 last question and then I'm going to pass it to Chair
 22 Arroyo. When it comes to the reform of 421A, can you
 23 elaborate a little bit more? Does HPD believe reform
 24 should focus on the program's geographic components
 25 or other details, something else? Just a couple more.

2 COMMISSIONER BEEN: So, we're looking at
3 all aspects of the 421A program, what's called the
4 Geographic Exclusion Area, or the Geographic
5 boundaries. We're looking at the length of the terms
6 that exemptions are available for. We're looking at
7 the differences between the way in which condo units
8 and rental units are treated. We are looking at
9 problems that occurred with the old certificate
10 program. So we're really looking at every aspect of
11 the 421A program.

12 CHAIRPERSON WILLIAMS: Thank you. I do
13 have considerable more questions around AMI, which
14 I'll talk about later if my colleagues haven't gotten
15 to it and some other things based on how we're going
16 to pay for the program, but right now I'd like to
17 call on Chair Arroyo.

18 CHAIRPERSON ARROYO: Thank you, Mr.
19 Chairman, Commissioner, Mr. Chairman, nice to see
20 you. Squishy to me sounds messy. Maybe we should
21 use another term.

22 COMMISSIONER BEEN: Messy?

23 CHAIRPERSON ARROYO: I'm going to focus a
24 little bit on the preservation discussion. For ten
25 years almost now in the City Council, the program

Tenant Interim Lease Program, the TIL program, and has afforded New Yorkers and opportunity to live the dream of home ownership, but over this period I've seen too many of the TIL program buildings in my district transfer out of that program and into a different ownership relationships where the tenants lose their shares in the property. Many are in serious disrepair, even the ones that continue to remain in this program. So, do you have the TIL Program properties as part of that preservation plan? How many properties are there? What is the state of their condition, and how can we preserve the ownership in these properties?

COMMISSIONER BEEN: So, the TIL properties are absolutely part of the preservation plan. They're in that second category of the programs that, you know, go back to the Koch years in many cases, but are not catalogued in the subsidized housing information program. We have--can I--Ann-Marie, do you have a--what's the number of TIL programs, TIL properties? About 160 buildings. I don't know the unit breakdown, but we can get that for you. So, and those buildings as you say face a variety of challenges and we are responding to that

in a couple of different ways. The one problem that we had in prior years is that our attempts to renovate and then turn around and sell those units back to the tenants was stalled by a debate that we were having with the Office of Management and Budget about the way in which to calculate the reserves necessary for those buildings. And we have now reached an agreement with OMB where they will let us pilot 50 of those properties to size, to learn how to size the reserves correctly. And so those 50 are going forward and we will learn from that so that we can then move forward on all of them. So that's in terms of rehab and repair.

CHAIRPERSON WILLIAMS: So, among the information, the list of numbers, squishy or not, the 50 properties--

COMMISSIONER BEEN: [interposing] That's exact.

CHAIRPERSON ARROYO: where are they? Where are they located? What neighborhoods? What council districts, and when do we engage in a conversation about those 50 and the strategy for them?

2 COMMISSIONER BEEN: So we can get you
3 that list and broken down in those ways. So, that's
4 prong one. Prong two is that we've had, as you know,
5 we've had issues in the past with some of those units
6 being sold without the appropriate constraints and
7 without the, you know, sometimes sold out of the
8 program, and we're working closely with our
9 colleagues at the Attorney General's Office to make
10 sure that those limited equity and other kinds of
11 constraints on the sale of those units are very
12 strictly enforced.

13 CHAIRPERSON ARROYO: And I believe that
14 one of the contributing factors to so many of those
15 units leaving the homeownership category is lack of
16 oversight, and whether or not HPD or whatever entity
17 or agency or authority can keep a close eye on what
18 goes on with the finances of the properties. Often,
19 there's mismanagement, fiscal issues where boards are
20 not active and the proper maintenance is not done
21 routinely and we end up with a building with 40 or so
22 units of housing that is going to cost millions to
23 rehabilitate. And the shareholders will not have the
24 fiscal wherewithal to make that happen.

2 COMMISSIONER BEEN: Yes, so you're quite
3 right. There have been a variety of problems with
4 some of those buildings. We do have our Asset
5 Management Department does exercise a great deal of
6 enforcement, but it's a very difficult set of
7 properties to deal with. In the ANCP, which is what
8 we call the 50 that we are piloting, we are requiring
9 that all of the buildings have a third party
10 administering agent to try to rein in some of the
11 kinds of problems that we've had in the past. In
12 addition, we've got a variety of, you know, rules
13 that we are imposing upon the buildings. So for
14 example, we make them take a maintenance increase so
15 that they are building up the reserves so that when
16 they reach the time when the roof has leaks or that
17 kind of thing that they've got reserves and don't
18 then have to try to scramble to make, to find the
19 money to do those things. So we are trying to, you
20 know, to work those buildings much better, and we are
21 trying now to use the third party administrators to
22 bring a lot more fiscal discipline to those
23 properties.

24 CHAIRPERSON ARROYO: So, along with the
25 information that you're preparing for the Chair for

2 the committees, the number of TIL projects, how many
3 units, and how many--the goal here for me, and I
4 think for all of us is that it is a unique
5 opportunity for home ownership at a very community
6 level that would take a great deal of effort and
7 financing to accomplish otherwise, that we have a
8 responsibility to preserve the ones that are still in
9 the program, whatever the hoops that we have to jump
10 through to do that so that we can reconstitute
11 boards, whatever the case may be in order to position
12 them to remain affordable homeownership
13 opportunities. So, the preservation, there's a plan.
14 What's the time frame? When do we get the nuts and
15 bolts and the non-squishiness of the plan?

16 COMMISSIONER BEEN: So, the--

17 CHAIRPERSON ARROYO: [interposing]

18 Preservation.

19 COMMISSIONER BEEN: Right. So, let me
20 just say one thing about the home ownership
21 opportunities that we recognize the importance of
22 that, and that is one of the reasons why we're
23 introducing this NIHOP, the New Infill Home Ownership
24 Opportunities, which will also provide some home
25 ownership opportunities, especially in neighborhoods

that have not seen them. So, I did want to just make that point. In terms of the preservation, so we are looking hard at every single neighborhood in the city. We're analyzing the kinds of buildings in the neighborhood. We're analyzing the, you know, the buildings that have received public subsidies in the past, the building that are expiring out of the SHIP properties, the buildings that are expiring out of all of those other programs that I mentioned. So we're doing for every neighborhood, we are in the midst of doing a very deep dive into trying to understand what are those neighborhoods preservation challenges, preservation opportunities, and then we're devising strategies based neighborhood by neighborhood, not a one size fits all, you know, which I think has been too much of the plan in the past has been just a one size fits all. We're really trying to drill down in each neighborhood and understand what kinds of strategies, what kinds of tools, what kind of outreach we're going to be needing. That's underway. We've talked with a few Council Members about what we're seeing in their districts and the analysis that we've done in their

2 districts, and we'll be doing that in every single
3 district.

4 CHAIRPERSON ARROYO: So, do we have a
5 timeframe for when that analysis is going to be done
6 and/or is this work in progress and over time
7 different neighborhoods you'll have the clarity
8 about. What is it?

9 COMMISSIONER BEEN: Yeah, I mean it's a
10 short term program. I mean, it's really we're trying
11 to build up those analytics over really the next six
12 months and reach out to, you know, to the
13 neighborhoods and to each of you about what we're
14 seeing in those neighborhoods.

15 CHAIRPERSON ARROYO: Okay, now my favorite
16 subject, senior housing. The feds have not funded
17 senior housing for a number of years now. One of the
18 major considerations should the feds get their act
19 together and we get some money into the budget, how
20 do we identify land to build new units, how do--good
21 problem to solve, but I know that in my district
22 there is less and less land for development. How do
23 we bridge the two? And a second part of that
24 question is, so if the feds don't come up with the
25 funding for senior housing, how much subsidy is

necessary in order to mirror that program in the city through subsidies of our city capital dollars?

COMMISSIONER BEEN: Okay, let me take the first question first. As to the land, so we are working, and this is an effort that's really being spearheaded by the Economic Development Corporation, EDC, that is working to identify all vacant lands, vacant buildings as the Speaker, you know, made clear, that we own, that the city owns, that the state owns, and also looking at land that is underused that is under ownership of faith based organizations, nonprofits, hospitals, you know, health institutions, etcetera, and then we're reaching out to those groups of owners and saying, "Can we work with you?" They are often very, very interested in the senior housing, especially many of the faith based organizations, and we're having conversations with various of the faith based organizations right now about using some of their land for those kinds of senior units, but for affordable housing more broadly. So, we're trying to look at--we're trying to leave no stone unturned when it comes to looking at land that's either under our control or that we could work with the existing owner

to try to put to use for affordable housing in a variety of ways. In terms of the subsidy that's required, I mean, we are doing a lot of analysis, and this is actually part of the round table that we'll be doing that we had talked with the council about over the summer in terms of senior housing, is really trying to understand more about exactly the demographics, how much, for example, cross-subsidization could there be? Right? Are there enough seniors that let's say that 80 percent AMI level who could pay somewhat higher rents and cross-subsidize some of the ones that are at 30, right? We're also looking at how can we use the mandatory inclusionary, the 421A, etcetera to get more of that senior housing. So we're exploring all of those different kinds of financing mechanisms if, as unfortunately we have to fear, the federal government doesn't come through with the 202 budget.

CHAIRPERSON ARROYO: The concern here is that in many of our communities the AMI for seniors is below 30--

COMMISSIONER BEEN: [interposing] Yes.

CHAIRPERSON ARROYO: percent, and the subsidy needs to be very, very rich in order for the

units to be developed so those seniors can pay the 30 percent of their income, which in some cases is very, very low.

COMMISSIONER BEEN: Right.

CHAIRPERSON ARROYO: So, you don't have a number of what it would cost to build a unit for that population?

COMMISSIONER BEEN: Well, it's actually not the number to build it that's so difficult, it's the number to constantly make up that gap between their income and 30 percent. And so one of the things that we have to turn to there is the use of project based vouchers, and both NYCHA and HPD have been, you know, trying to put as many project based vouchers as possible to close that operating subsidy gap for the seniors. And I think--Bill, correct me if I'm wrong, but NYCHA announced for this year 1,000 project based vouchers that were aimed at seniors, and we also are putting some on the table as well, as many as we can. So, again, that's what it takes. It either takes cross-subsidy from higher income units or it takes those project based vouchers. Those are our main tools, and we're trying on both scores.

2 CHAIRPERSON ARROYO: And the developers
3 need to be prepared to build smaller developments?

4 COMMISSIONER BEEN: Smaller units.

5 CHAIRPERSON ARROYO: The land to build
6 125 units, 300 units is just not there.

7 COMMISSIONER BEEN: Uh-hm.

8 CHAIRPERSON ARROYO: So the housing that
9 we're preserving can change the use of that housing
10 for seniors as well, senior housing. We don't have
11 all the answers today, and I recognize that, but this
12 is a very, very complex situation for us to house
13 seniors. Eight of the 10 people that come into my
14 district office looking for housing are seniors who
15 are sleeping on somebody's couch and cannot afford
16 the affordable housing that's being developed in our
17 city. The--so, I want to get in the conversation
18 about has City Planning, HPD, the Mayor's Office
19 engaged in a conversation about wages and affordable
20 housing development?

21 COMMISSIONER BEEN: Yes, we, you know, we
22 are talking with both the trade unions about possibly
23 some pilots there, and you know, we certainly are
24 concerned about a variety of issues both, as I
25 mentioned earlier, diversifying our developer pool to

2 include just a broader range of developers and
3 especially those MWBE developers that I mentioned
4 earlier, and we're doing, you know, a wide variety of
5 programs that I described around that. We also
6 understand the need for local hiring and are
7 certainly emphasizing those kinds of--those issues.
8 And then on the wages, as I said, we are in
9 discussion with the trade unions about some pilots
10 there.

11 CHAIRPERSON ARROYO: And when do you
12 anticipate having some squishy number or firm number
13 on what is a wage that can be agreed on between labor
14 and the developer and not kill a project?

15 COMMISSIONER BEEN: Those discussions are
16 ongoing. I can't--I mean, they're going on right now,
17 so, I think we're talking about the short term, but I
18 can't give a specific date.

19 CHAIRPERSON ARROYO: So we'll circle back
20 at the beginning of the year and see if you've made
21 some headway there.

22 COMMISSIONER BEEN: Uh-hm.

23 CHAIRPERSON ARROYO: Thank you.

24 COMMISSIONER BEEN: Perfect. Thank you.

25 CHAIRPERSON ARROYO: Mr. Chairman?

2 CHAIRPERSON WILLIAMS: Please, Mr.
3 Chairman of Land Use, David Greenfield for your
4 questions.

5 CHAIRPERSON GREENFIELD: Thank you, Chair
6 Williams, I appreciate it. I think, you know, as we
7 are beginning to start hour three of the joint
8 hearing on the Mayor's Affordable Housing Plan, just
9 bigger picture perspective for a second, before we
10 sort of start drilling into some details. We
11 certainly have seen progress both in HPD and City
12 Planning and we're grateful for that. We thank you
13 both for your respective leadership. I think that
14 many of the items that you've announced today and
15 especially some of the reorganizations, Commissioner,
16 are welcome and we're grateful, and we're looking
17 forward to working with you in those respects. As
18 for you, Chair Weisbrod, as you know, we've always
19 been a big supporter of increasing staffing and
20 ramping up and trying to really streamline the
21 process at City Planning. I know you're doing that,
22 and we are certainly grateful for that as well. Just
23 a big picture perspective, it something to think
24 about and I think it would be helpful going forward,
25 you know, we're all on a time clock, obviously.

Right? I mean, there is pluses and minuses to term limits, right? But the pluses are that you actually want to see things get done by a certain time frame, which that general time frame at this point is a little over seven years, right? So we're very focused on reaching those goals, specifically the goal of 200,000 affordable units, preservation and building. I think it would be helpful, though, going forward if your agencies could work together and could really give us a bigger picture perspective of the lay of the land and sort of more details of what the plan is and how you're going to achieve the plan over the next seven years. So for example, when Chair Williams says, "Hey, I want numbers." He doesn't want numbers month by month. He certainly doesn't want to hamper your ability, Commissioner, to negotiate, but he'd like to know for example, where are we going to be at the end of seven years. And I think that part of the challenge has been, and in fairness it takes time, and so we're not saying that we need it today or tomorrow, but certainly something over the next few months. It would be great to have a document of some sort that really articulates the plan, how we're going to get there. Break it down the

different areas, whether it's the senior housing or the homeless population or the new developments or existing. I think that would really be helpful, because what you're seeing over here today is that we have a lot of questions. We want to drill down on those questions, and really, quite frankly, this should be a three day hearing, not a three hour hearing. And we're going to continue to ask those questions. It'll make our lives a lot easier if you folks could collaborate on something like that. Is that a fair request for some time in the next, you know, six months or so?

CARL WEISBROD: I would just say, Mr. Chairman, that I'd say the collaboration, just on the point of collaboration, generally this has been an administration that has been more collaborative among, particularly on the housing side and the development side that Commissioner Been and I and our sister agencies are involved in, than just about any Administration that I've been associated with. And on the one hand--

CHAIRPERSON GREENFIELD: [interposing]
And to be clear, we applaud you and recognize--

2 CARL WEISBROD: [interposing] highly
3 collaborative.

4 CHAIRPERSON GREENFIELD: I don't want you
5 to think it's a diminishment. We certainly
6 appreciate that. Thank you.

7 CARL WEISBROD: And I would just, on the
8 time table as you indicated, a lot of these issues
9 and programs do take a degree, do take time, but I
10 think we have also said both in terms of generally
11 speaking areas we're looking at to develop, the
12 number of areas we're looking at to develop, the time
13 table for various zoning proposals, that we have set
14 those forth, and we expect to meet those time tables.

15 CHAIRPERSON GREENFIELD: And we appreciate
16 that, but I think you know, the word of the day today
17 has been "squishy", which is a weird word in a
18 legislative hearing, but thank you Commissioner for
19 introducing that, but I--

20 COMMISSIONER BEEN: [interposing] Regret
21 that I can see.

22 CHAIRPERSON GREENFIELD: But I certainly,
23 I think we're looking for a little less squishiness,
24 not today necessarily, but just the general idea if
25 down the road, because what you'll see that happens

is, especially with so many committees that have a piece of this. I have Land Use. He has Housing. The Chair has Development, generally, Community Development. So we all have different interests that we like to focus on, so once again, to the extent that it's possible, like I said, we're not looking for specifics, but specific time frame, but perhaps in a six month goal where we could actually get a little bit more of a comprehensive run down of what the real plan is across the board, I think that would be helpful and would help us be able to follow up and have some clarity. That fair? Thank you. So, that being said, I do actually want to delve into the issues that we are concerned about in the Land Use Committee, and I will start with you, Chair Weisbrod, because I know that you have limited time, then I will ask the Commissioner some questions. So, you know, we had a lot of discussion has been happening in the city, especially over the last few weeks regarding the Astoria Cove Project and the deal that was reached with the Council, and I do want to recognize something that you mentioned, and certainly you haven't gotten enough credit on, which is that City Planning did a terrific job, that when it first

came out of City Planning there were assurances that there would be the basics necessary for what you set forth in terms of neighborhood planning, so that there would parks and there would be stores and there would be schools, and that's something that quite frankly you haven't gotten enough credit for, and we appreciate that. And you were absolutely were correct that, you know, when I had conversations with the Council Member and said, "Hey, you know, do we have issues on these particular areas?" And he said, "No, everything's great." And that was unique and appreciated. And obviously we were focusing specifically on levels of affordability and one issue that was outstanding still which was a transportation issue that we've since happily made significant progress in the form of a ferry. I'm wondering if you can weigh in. You know, there's a great debate happening over the last few days, right? You know, folks on the left are saying we didn't go far enough, we needed to have more affordable housing in this particular project, and then folks on the right are saying that we went too far, and you actually can see it. There's a story today in Capital New York where developers are saying this is impossible. It's never

going to get built. We've had some folks on the left who have said, well, you know especially advocates, "You haven't gotten enough affordable housing. You should have 40, 50 percent affordable." And then you got some folks actually in the middle who sort of-- you know, the Daily News actually did an editorial the other day that was sort of like a "meh" editorial. Alright? So, you know, from our perspective we're certainly biased. We appreciate, and this is just our view--and I'm curious to see your view as really one of the foremost experts on housing development in the city of New York after many years of experience. Our view in the Council is that we're very proud that we've increased the percentage of affordability by 35 percent, and 20-27 percent, that we've addressed major issues such as transportation which have never been addressed in this particular community before and we have many other significant benefits such as investments and parks and senior centers and schools. So we are certainly pleased from our perspective, and we do think that it's precedent setting in the sense that when we have a project going forward, we believe that we've created a model, and specifically the model is

good jobs, more affordability and making sure the community's interests are met, and that is what we believe the model is. And so my question to you is as Chair of City Planning and as somebody's who's had literally a lifetime of experience doing this kind of work, what do you think? What's your view on the Astoria Cove deal?

CARL WEISBROD: Well, as I said in my testimony, I think it was just a model of how the Executive Branch and the Legislative Branch can work together toward achieving a desirable outcome, and I think the--you set forth all of the elements that make the Astoria Cove project, I think, an extremely good project that we can all be proud of from a governmental point of view. I would just add a couple things to what you said, Mr. Chairman. One is that these projects, once approved, do not necessary get built in a day. They get built over a period of time, especially a project as ambitious and as large as this one. So, I think we will see it develop over a period of time in a way we all can be proud of. And second, that this was a, I think in terms of a process, a process that is a model for how we can work together with the council in the future, but in

terms of a specific quantitative model, as I think you've heard from my testimony, from Commissioner Been's testimony, and from the work that we're doing. Many of these projects, many of these endeavors, many of the economics that we're dealing with are community and neighborhood specific. So, we're going to have to judge them in an overall framework, but also in as a matter for each individual neighborhood.

CHAIRPERSON GREENFIELD: So that's actually a perfect segue into my next question, and that is that a lot has been spoken about once standard of affordability, where especially advocates and even some of my colleagues would like to see every project has a minimum of x percent affordability, y percent AMI, z percent etcetera. I am of the opinion that in fact neighborhoods are different, and what you're doing in midtown Manhattan is not what you're going to be doing in Astoria Queens. I'm curious as both the Chair and Commissioner of the agencies responsible for this, what's your view on that perspective and that debate?

CARL WEISBROD: Well, I think, as again, as we made--I think both of us made clear, we agree with that, that it's not as specific in it's--there

1 can't be one across the board top down formulaic
2 approach to all of these challenges, and while we
3 hope and will be establishing a framework just to
4 take inclusionary, mandatory inclusionary zoning as
5 one example of establish of framework and say, "This
6 is how we're planning to proceed." And to establish
7 the principle that in every neighborhood that we are
8 rezoning for higher density and that's mid or high
9 density neighborhood, we recognize that there will be
10 different needs and different economics in different
11 neighborhoods. They'll be many neighborhoods where
12 we won't be able to say there's going to be mandatory
13 inclusionary zoning without capital subsidy, because
14 those neighborhoods won't be able to afford it. And
15 yet, on the other hand, there may well be
16 neighborhoods that the potential profits for private
17 sector developers are so great we can demand more in
18 terms of-- so how we calibrate this is really one of
19 the great challenges we all have in doing it in a way
20 that both retains flexibility on the one hand, but
21 provides a degree of certainty on the other. And
22 that's, I think, the challenge we face in this area,
23 but again, it's a challenge that is bases on a very,
24 very strong belief that this really has to be a
25

neighborhood based moving upward as opposed to one top down approach that, you know, has to--that rigid formula has to fit everything.

CHAIRPERSON GREENFIELD: Sure. So specifically you've addressed three neighborhoods that you're currently in the process of looking at mandatory inclusionary, which of course is the significant imperator of this Administration and City Planning, and those three neighborhoods are East New York, Cromwell Jerome and Flushing West. Can you give us a little bit more detail about two pieces, one is what has been the outreach and involvement with the neighborhoods, and what is the timeline for those particular projects in terms of when you expect those to actually go through the ULURP process and come eventually before us?

CARL WEISBROD: Yes, well, with respect to they're all on very different time tables, obviously. East New York, we have been working with that community for quite a while now, and as I think Council Member Barron can attest, we have had many scores probably of visioning sessions and discussions with the community in trying to understand the community's goals and respond to them appropriately.

So that's the one that's farthest along, and we do expect to shape that into a concrete proposal in the next several months, within the next several months. The Cromwell Jerome is a very different neighborhood in the Bronx, and our visioning sessions really just started there in the early fall, and so that's on a much--on a time table that's somewhat behind. And Flushing West, we literally just announced today publicly, but we've working with Council Member Koo and the local community, which is a very receptive community in Flushing West, and so I will have to--I think it's too early to say what the time table will be there, but I do think that given the very strong receptivity to enhance residential development in that neighborhood my hope is and expectation is that that will move forward at pace. And it's not simply like planes taking off on a runway where you can sort of say, "Okay, this study started three months behind that study so it will finish three months later." Because I think each community itself has different challenges.

CHAIRPERSON GREENFIELD: Sure. But is there--when you look at a timeline, is there a time that you look at it internally and say, "Well, you

know, when it comes to a new community that we are looking to do mandatory inclusionary we'd like to have the following lead time before we hit the ULURP process, and in a perfect world we'd like to be done in two or three years or something like that." Is that something that--a framework that you look at?

CARL WEISBROD: Well, we certainly would like to be done in two or three years. Sometimes it may take a little longer if there are some special complexity to a neighborhood. Sometimes it should take less time than that, but we do--I would say that we don't go into one of these and say we're announcing community x tomorrow and we expect to have the zoning proposal in two years and 30 days. I think it's a--because these processes necessarily are somewhat iterative and they--if they're going to work well they have to work in close cooperation with neighborhoods. I've spent my lifetime transforming neighborhoods, and if they're to be done well, it really does require a close working relationship with neighborhoods. That said, we also recognize that there are those in any community who would continue the process of discussion infinitely if they could, and we recognize that at some point we really have to

2 say, "Okay, it's now time to reach a consensus and
3 let's get going." But when that moment is, I--

4 CHAIRPERSON GREENFIELD: [interposing]
5 Sure.

6 CARL WEISBROD: can't say.

7 CHAIRPERSON GREENFIELD: I think, though,
8 it's helpful. I'll tell you why, because I think
9 there have been valiant expectations from the public
10 and communities as to, you know, what will happen,
11 when will it happen, when will the time? So simply
12 to hear a two to three year approximate timeline I
13 think is helpful so folks know what the process is
14 going to look like, and obviously on the flip side
15 that you know, the nimbly [sic] folks don't try to
16 run out the clock, right? So, that's--

17 CARL WEISBROD: [interposing] Well,
18 right, and again I would say that there are going to
19 be some of these endeavors that will, you know,
20 modestly outside that range, and hopefully some of
21 these endeavors that will be shorter than that range.

22 CHAIRPERSON GREENFIELD: Okay, great. So
23 the most fully baked proposal at this point is the
24 East New York, and that's something you expect to see
25 moving within the next few months or so?

2 CARL WEISBROD: Next several months,
3 certainly we hope to see--we anticipate seeing that
4 in 2015.

5 CHAIRPERSON GREENFIELD: Thank you,
6 Chair. In the interest of time I'm just going to ask
7 the Commissioner a couple of quick questions and then
8 I'll let some of my colleagues weigh in.

9 Commissioner, I just wanted to chat with you just
10 about some general specific questions that I think
11 would make our lives easier. You know, you make a lot
12 of reference to the SHIP database by the Furman
13 Center. Obviously, you're somewhat biased on that
14 considering that your background, and it is very
15 successful database obviously. I'm just curious as
16 to it seems like however we in the city are overly
17 reliant on this venture, which is an important
18 venture, has there by any thought to try to take all
19 this information, a lot of it which you yourself have
20 said has been out there for years, and just to be
21 clear, not your fault that we don't have access it to
22 it. you're the new Commissioner and try to bring it
23 in under some sort of new rubric within your agency
24 as opposed to right now we're sort of flipping
25 between SHIP and ACRAS [sic]. We don't really have a

comprehensive database, especially to record buildings on their programs, those that have expired and have not expired, and other issues like that. Have you thought about doing that?

COMMISSIONER BEEN: Yes, for sure. So let me--there are several questions in there. Let me take them one by one. The reason why we rely on SHIP is not because I built it at the Furman Center. I helped build it at the Furman Center, but because the whole purpose of SHIP was that on these properties they often have financing from various agencies, not just HPD. So, they often have financing from HUD. They often have financing from the state. So, the McArthur Foundation and actually a consultant study recommended that to have credibility that a database be established outside of any of those particular agencies that would work across the agencies in order to provide objective views of what the numbers were and when those were set to expire. So, I rely on SHIP because that's precisely why it was formed, is because if I gave you a number you'd worry that I could fudge that number, right? And objective source on the outside that combines the numbers from HUD, from the state and from us is preferable in that way.

That said, the SHIP did not, was not built to include all of the various hundreds of programs that we have, and we have within the agency been working very hard, and first of all, we provide data to the SHIP, right? So we build all that data internally and provide that to the SHIP, but in terms of the programs that are not included in the SHIP, we build those--we are building those databases and trying to unite all that as best we can. It's a painful process because many of those programs are basically paper files, and so they have to be, you know, gone back through in that way. That said, as part of the really preservation strategy that I was discussing with the Speaker and with Council Member Arroyo, we are trying very hard to build what we think of as really a comprehensive database that shows all of those properties within neighborhoods and really is, you know, brings it all together in terms of what are the challenges and opportunities in each individual neighborhood, and we are in the process of doing that.

CHAIRPERSON GREENFIELD: So my second and final question before I turn it over to Chair Dickens, and I see that we've been replaced by the very capable Purnima Kapoor who's going to be taking

questions on behalf of City Planning, that is there a objective price point when look at preserving affordability? And just to give you a fair head's up, the Land Use Committee will be taking a more closer look at this in a separate hearing specifically on tax breaks and credits and things like J51's and Article 11's and all that other fun stuff. But when you look at a preservation, right, where you talk about the 3,000 units, hopefully you want to keep as many of those as possible, right? I mean, do you say, well, there's an internal price point that we look at per unit or it depends on the combination of other programs? How do you make those judgment calls?

COMMISSIONER BEEN: So, it's based on a variety of criteria. There's no--it's not as if there's an absolute cap of x amount of dollars per unit, but some of the things that we take into consideration are for example, are we spending more than it would cost to build new, right? Are we preserving a historic resource that might have non monetary value that should come into play? Are we able to leverage other kinds of financing, for example, historic tax credits that might come into

play that wouldn't normally, you know, be available in that situation. What's the AMI level that is going to be served? Because in many cases the preservation gets to the very deepest affordability levels, because they've got tenants in place that are, you know, at very low incomes and we are able to reach much much deeper through that price point so to speak than we would be in new construction or otherwise. So it's really we're taking all of those factors into consideration and basically trying to always get the most bang for the buck, trying not to spend in a way that, you know, would not be justifiable for the kind of unit that's being built.

CHAIRPERSON GREENFIELD: Okay, so the short answer is no, you don't have a specific price point. And we will, like I said in the Land Use Committee, will be holding hearings after the new year to specifically focus just on this issue. Just wanted to ask the general question and to give you a heads up and with that we'll pass it back to the Chair. Thank you.

COMMISSIONER BEEN: I mean, I want to just to be clear there. When I say we don't have a price point, I mean, in our preservation programs, in

2 all of our programs, in our term sheets, in our
3 program parameters we have sometimes I hard stop. We
4 will not give more than x amount.

5 CHAIRPERSON GREENFIELD: Of course.

6 COMMISSIONER BEEN: But we often layer--

7 CHAIRPERSON GREENFIELD: [interposing] I
8 meant an objective number, thank you.

9 COMMISSIONER BEEN: I just didn't want to
10 be unclear.

11 CHAIRPERSON GREENFIELD: Thank you,
12 Commissioner.

13 CHAIRPERSON WILLIAMS: Thank you. We're
14 going to try to do a three Chairs privilege. If you
15 don't mind, Council Member Dickens, we want to get
16 Council Member Barron, she has to go chair a hearing,
17 and she's dealing with the East New York issue that
18 was spoken about, so I really want to hear what she
19 has to say in terms of community engagement. We'd
20 like to start the clock at--[off mic] I'd like to
21 start the clock at five minutes from here on in, and
22 Council Member Barron?

23 COUNCIL MEMBER BARRON: Thank you the
24 Chairs for having this hearing and to the panel for
25 coming to present and to my colleagues for allowing

me to skip the line because I am about to have a hearing at one o'clock across the street in Higher Education. But as you have said, East New York has been identified as one of the communities, and the plan that has been presented, although it does not fall within the boundaries of my council district, it is a part of the East New York community and a part of Community Board Five. I have been in talks with the Council Member of that district, Council Member Rafael Espinal, and we have similar ideas. So now, as you talk about the visioning session that have taken place, I have attended all of those visioning sessions not just this year but a few in the years prior, and the community has had their say about what they want to see in terms of schools, libraries, mixed use development, support for community facilities, job development, career development, making sure that the infrastructure can support all the building that's going on, but the bottom of all of this is as you said housing. That's the name of the plan, housing. And housing, affordable too, according to what this is saying, if you're going up to the percentage that you gave, it would be an income of 138,435 dollars. The area median income in

East New York is about 30,000 dollars. My community is saying we don't want this housing plan with the label of affordable if we cannot afford it. That is a major issue, a major issue. So, with only eight percent as according to the document, only eight percent targeted for people up to 25,000 dollars, which is where most of my community is, how are we going to not have the word that nobody wants to say, gentrification in East New York, an area that has suffered through the city plan of a sharette [sic] in the 1970's where people were told if you give up your home we will--Are you familiar with the sharette from the 1970's? People were told if you give up your home, we will assure that we're going to build you a beautiful community. There were visioning sessions then, and people had ideas and hopes that that would become a reality and it never did. And that largely contributed to much of the vacant land that does still exist in East New York. People gave up their homes. Their homes were bulldozed. So in addition to the fires and the arson, there was planned destruction of homes by the city with hopes or plans of creating this new. So, my question is, once the community has repeatedly said what they want to see

as a affordable housing to those who have lived in the area 20, 30, 40 years, who have an oversaturation of shelters because of the large homeless population, what are we going to do to make sure that as this housing plan goes forward it is addresses the oversaturation. It reduces the homelessness, and it encourages home ownership, not just persons who want to have an apartment rental, but how are we going to address that, and how are we going to respond to what the community says it wants to see as affordable housing coming into East New York.

COMMISSIONER BEEN: So Council Member, when I said that--when I answered the Chairs' question about what is defined as affordable, and I said that under 165 percent of AMI counts as affordable under the plan, but that doesn't mean that that's what we're building or that's what we're building in every neighborhood, right? So, we certainly understand that as neighborhoods differ in terms of their existing, the income of their existing population and we're trying very hard to aim at that. If I could build or preserve much more targeted at the 30 percent, 40 percent, 50 percent or below AMI I would. That's a question of obviously the

extraordinary amount of money that's required to build and pay for the operating costs of that housing over time. So what we're trying to do is in every neighborhood aim at the affordability that is appropriate for that neighborhood. So, no, I don't, you know--we're not thinking that we would go build a lot of 165 percent of AMI housing in East New York. That's not--that's nobody's plan, right? So, we're trying very hard in every neighborhood that we can to aim at the AMI's of the people who are currently there, and at the same time to bring some income diversity, because often that income diversity is needed to support the retail, other kinds of things as well. So, the, you know, the lessons learned, the failures of the kind of urban renewal, the visioning process that you mentioned in the past are certainly always on our mind, and we're trying very hard to engage with the communities in a much more meaningful way than was done in the past.

COUNCIL MEMBER BARRON: Okay, just want to say before I have to run off that Council Member Dickens and I are in competition because we have maintained affordable housing in our council districts presently for the persons who live there.

2 So it was the work of my predecessor, Council Member
3 Charles Barron, and Council Member Dickens that have
4 made developers respond--

5 CHAIRPERSON WILLIAMS: [interposing]
6 Council Member--

7 COUNCIL MEMBER BARRON: to be responsive
8 to that income band. So that certainly is my pledge
9 to continue to do that as we go forward. And I once
10 again want to thank the Chair very much for allowing
11 me to go ahead.

12 CHAIRPERSON WILLIAMS: Thank you, and
13 thank you to the colleagues for allowing to do so.
14 Just remind the sergeant that we have the clock on at
15 five minutes, please. And Council Member Dickens?

16 COUNCIL MEMBER DICKENS: Thank you,
17 Chairs, and good afternoon and thank you for your
18 testimony. If it's alright, Chair, I would like
19 NYCHA to come back. Mr. Crawley, is that--is it
20 alright?

21 CHAIRPERSON WILLIAMS: I guess we--and we
22 might as well--go ahead.

23 COUNCIL MEMBER DICKENS: Alright, thank
24 you, Mr. Crawley. This Administration is
25 collaborative and transparent. The past Chair Roise

2 Mendez, Council Member Rosie Mendez chaired a public
3 housing committee, has repeatedly requested during
4 her tenure as chair for full financial disclosure
5 from NYCHA. That had never come forth. When can the
6 council now expect full financial disclosure?

7 BILL CRAWLEY: Well, ma'am, I will raise
8 this with our Chair and General Manager immediately.
9 I was not aware that you haven't received full
10 financial disclosure.

11 COUNCIL MEMBER DICKENS: Well, that was
12 an argument that we had at the council over the
13 years, and the second this is, is there an intention,
14 and if so when will be implemented, Section Three?

15 BILL CRAWLEY: Yes, ma'am. Section
16 Three, as you know, is a HUD requirement that NYCHA
17 fully complies with for all of its operations and
18 development.

19 COUNCIL MEMBER DICKENS: Well, I don't
20 know about fully.

21 BILL CRAWLEY: I--there are a number of
22 details around Section Three because it involves job
23 opportunities for residents and community folks.
24 We've done some internal analysis of our Section
25 Three program. In fact, at our last board meeting we

2 had a presentation that updated our Section Three
3 reform efforts over the last couple of years. I'd be
4 happy to forward that document to you--

5 COUNCIL MEMBER DICKENS: [interposing]
6 I'd appreciate it. I'd like to know about it.

7 BILL CRAWLEY: Yes, ma'am.

8 COUNCIL MEMBER DICKENS: Thank you so
9 much for your testimony.

10 BILL CRAWLEY: Yes, ma'am.

11 COUNCIL MEMBER DICKENS: And I'm sorry,
12 what was your name? I apologize.

13 PURNIMA KAPOOR: It's okay. My name is
14 Purnima Kapoor.

15 [off mic]

16 CHAIRPERSON WILLIAMS: I'm sorry, Ms.
17 Kapoor, you're going to have to be affirmed in. So
18 please raise your right hand. Do you affirm to tell
19 the truth, the whole truth and nothing but the truth
20 in your testimony before the committee and to respond
21 honestly to Council Member questions?

22 PURNIMA KAPOOR: Yes, I do.

23 CHAIRPERSON WILLIAMS: Thank you.

24 [off mic]
25

2 CHAIRPERSON WILLIAMS: I got it. You got
3 to--

4 COUNCIL MEMBER DICKENS: I'm sorry that,
5 Chair Wesibrod is not available, by my question is
6 what programs are currently in use that allows the MP
7 [sic] FAR, that would create additional--

8 CHAIRPERSON WILLIAMS: Council Member, is
9 your mic on?

10 COUNCIL MEMBER DICKENS: Is it--alright.
11 I apologize. What programs are currently in use by
12 City Planning that would do the rezoning that would
13 allow increased FAR in order to create additional
14 affordable housing, and how is that going to work in
15 historic districts throughout the city?

16 PURNIMA KAPOOR: So, the program that is
17 currently is in effect is what is called the
18 Voluntary Inclusionary Rezoning Program. It is being
19 mapped in several parts of the city. Where it is
20 mapped in those areas, the developers have the option
21 of using that program to get a higher floor area,
22 more building, and that higher floor area is a bonus
23 that they get, and in return they have to do
24 affordable housing.

2 COUNCIL MEMBER DICKENS: What is that?
3 What is that--what do they have to do? What does the
4 developer have to do in order to qualify for the
5 increased FAR?

6 PURNIMA KAPOOR: They have to be in an
7 area that has that zoning designation. They don't
8 have to do anything beyond that for zoning or
9 services.

10 COUNCIL MEMBER DICKENS: Alright, so
11 there's no new program to say [sic].

12 PURNIMA KAPOOR: No, there is no program
13 that City Planning has, but they can work with HPD on
14 programs that housing might qualify for.

15 COUNCIL MEMBER DICKENS: Thank you. And
16 Commissioner Been, it's good to see you. I haven't
17 seen you since the Mayor introduced you. So I'm glad
18 to see you. Anne-Marie Hendrickson has been
19 phenomenal in representing HPD and working with, but
20 this is my question, what financial programs are
21 currently in place that are available for developers
22 used for the creation of additional affordable units
23 other than NIHOP, and how many units have been
24 qualified under NIHOP?

2 COMMISSIONER BEEN: So, when I mentioned
3 that we released our term sheets, our new term
4 sheets, those are all the programs, and I think there
5 are 12 or 14 different. I'm looking at--but there are
6 about a dozen different kinds of programs aimed at--
7 some at preservation, some at new construction, some
8 at extremely low income, some at mixed income,
9 etcetera. So there's a variety of different programs
10 that we use there. NIHOP is actually something that
11 we are about to release, but we have not yet released
12 it, so that's a brand new program that we're going to
13 be rolling out.

14 COUNCIL MEMBER DICKENS: Alright, thank
15 you. And the MWBE goals versus a requirement, what
16 is being done about that, and on which lines such as
17 plumbing, electrical, finished and raw carpentry,
18 etcetera for each of the developments? Because goals
19 don't work for MWBE's, and the last part of the MWBE
20 question is for--HPD formerly had, and I don't know
21 whether you still do, where a contract was 10,000 and
22 under, it didn't have to go out for RFP. So, is that
23 still so? That's number one. And if so, I'd like to
24 see the list of those contractors that are on your
25 list, on these lists, that you would have an open

2 process so that they would know that these contracts
3 were being issued.

4 COMMISSIONER BEEN: Okay, I'm not sure I
5 understand the question about the 10,000 or under.
6 So let me get that--

7 COUNCIL MEMBER DICKENS: [interposing]
8 Let me just--there used to be a program prior where
9 HPD, if they had a contract, a repair contract that
10 was under 10,000 dollars, it did not have to be put
11 out for RFP.

12 COMMISSIONER BEEN: I see.

13 COUNCIL MEMBER DICKENS: You had a list,
14 you meaning HPD, had a list of contractors, MWBE
15 contractors that would be contacted. I want to know
16 is that still in place, and if so, I'd like to see
17 that list to see who is on it?

18 CHAIRPERSON WILLIAMS: And then Council
19 Member, I'm going to ask you to wrap up.

20 COUNCIL MEMBER DICKENS: I'm sorry?

21 CHAIRPERSON WILLIAMS: And then after
22 that your time is up.

23 COUNCIL MEMBER DICKENS: I beg your
24 pardon?

2 CHAIRPERSON WILLIAMS: And then after that
3 your time is--

4 COUNCIL MEMBER DICKENS: Well, I'm sorry
5 my time is up, but I want to know about my MWBE's.

6 CHAIRPERSON WILLIAMS: I hear you.

7 COMMISSIONER BEEN: So, yes. [off mic]
8 So, I'm not familiar with all the details of the
9 program that you mentioned, but we will get you
10 details on that, and we can also share with you the
11 increases that we've seen in the use of the MWBE's
12 over, you know, the past few years where we have seen
13 dramatic increases through our enforcement programs.
14 The MWBE program that I talked about is really aimed
15 at developers, and then developers, of course, aim
16 then at contractors as well. But that's separate
17 from the program that we have using contractors for
18 repairs, you know, that are necessary under the
19 alternative enforcement program and those kinds of
20 things, and we can get you that information.

21 COUNCIL MEMBER DICKENS: Alright, well
22 thank you so much, and I'll ask a question later,
23 because my Chair is complaining about my taking up
24 time about my TIL's, which is the next problem.

2 CHAIRPERSON WILLIAMS: The Chair is
3 definitely not complaining, we're just trying to see
4 if we can get all the colleagues in. Any further
5 questions I'll be happy to ask you, most beautiful
6 Council Member Inez Dickens.

7 COUNCIL MEMBER DICKENS: Oh, you're
8 getting to me. Move me over. Move me over.

9 CHAIRPERSON WILLIAMS: Council Member
10 Rosenthal, then Council Member Crowley.

11 COUNCIL MEMBER ROSENTHAL: Wow, okay.
12 Thank you so much Chairs. Thank you so much to the
13 Commissioners who are here, staff who are here. I
14 appreciate all your hard work. I wanted to ask a
15 couple of questions. I wanted to ask your thoughts,
16 Commissioner Been, about yesterday's or this
17 weekend's Daily News article about the contractors
18 who are not paying the wages owed to the workers, and
19 specifically I'm wondering how internally at HPD you
20 take people off the list, people who are not good
21 actors? So, bids go to the lowest bidder, you know,
22 but the lowest responsible bidder. So, can you--do
23 you have a mechanism to take these bad actor
24 contractors off your list that you would bid with?

2 COMMISSIONER BEEN: Sorry. In all of our
3 projects we do what's called sponsor review, which is
4 that we require that the developers submit to a
5 variety of questions about their labor practices, who
6 their ownership is, etcetera. So every project goes
7 through sponsor review. In terms of what we call our
8 enhanced review list, we do not have the statutory
9 authority to bar contractors from our projects on the
10 basis of withholdings that the Department of Labor
11 has established. We do--we lack that statutory
12 authority. We cannot--

13 COUNCIL MEMBER ROSENTHAL:[interposing]
14 Is that a state thing?

15 COMMISSIONER BEEN: It could be a state
16 thing, yes. I mean, one--

17 COUNCIL MEMBER ROSENTHAL: [interposing]
18 Can we talk about that further? I mean, could the
19 city be helpful in giving you that statutory
20 authority to indicate on your vendor list that this
21 is a bad actor contractor?

22 COMMISSIONER BEEN: Well, so there are a
23 couple--I don't want to get us into a deep legal
24 question. There are a variety of questions about the
25 authority. There are a variety of questions about

pre-emption, because it's a Department of Labor finding about the withholdings and the Department of Labor does not--has the power to debar the contractors, but does not give that power to others. So, there are a variety of issues around that that we can certainly discuss. So, we were--you know, so in thinking about how to deal with this problem, what we have tried to do is on a case by case basis we look at the contractors who are an issue. If they have problems with withholdings, those kinds of issues or quality problems, either one, we will sometimes put them on what we call our enhanced review list. Enhanced review means that we watch them very carefully. We make them, if they have withholdings they have to be paying down those withholdings, paying those--the workers that they owe off, and we impose a variety of monitoring, a variety of reporting, a variety of auditing requirements, right? So--

COUNCIL MEMBER ROSENTHAL: [interposing]

So, the specific company that was found to be not paying their workers properly that got another contract and is currently building affordable housing

2 for HPD, can I assume that they're on the enhanced
3 monitoring list?

4 COMMISSIONER BEEN: The one that was
5 described in the news report?

6 COUNCIL MEMBER ROSENTHAL: Uh-hm.

7 COMMISSIONER BEEN: Yes.

8 COUNCIL MEMBER ROSENTHAL: And do you
9 feel confident that you have enough legal or
10 inspection staff to monitor the withholdings
11 accurately?

12 COMMISSIONER BEEN: Do I think that the
13 enhanced review process is working to improve the
14 quality and to improve the compliance, absolutely.
15 We've seen on the enhanced review that those amounts
16 are getting paid off. We've seen developers and con--
17 I'm sorry, not developers, contractors, you know, pay
18 off those amounts. We've seen them institute a
19 variety of monitoring procedures. They are having to
20 monitor the subcontractors, right? So often this is
21 a monitoring and compliance and auditing problem. We
22 impose that upon the contractor. The contractor has
23 to impose that on its subcontractors, and we've seen
24 a lot of improvements in those areas.

2 COUNCIL MEMBER ROSENTHAL: Is there any--
3 are there any contractors that have come off your bid
4 list or subcontractors that have come off your bid
5 list because they have not complied?

6 COMMISSIONER BEEN: So, they wouldn't
7 come off of the list, because the list is for people
8 who are having problems. So--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 Oh, sorry, I meant--

11 COMMISSIONER BEEN: [interposing] people
12 come off of the list when--

13 COUNCIL MEMBER ROSENTHAL: [interposing]
14 come off your list of appropriate vendors,
15 contractors.

16 COMMISSIONER BEEN: We don't have a--

17 COUNCIL MEMBER ROSENTHAL: [interposing]
18 Have you every stopped--

19 COMMISSIONER BEEN: [interposing] list of--
20 -we don't have a list of appropriate vendors.
21 Right? We review the vendors. We review the
22 developers and their contractors on a case by case
23 basis using the sponsor review and other procedures
24 that I mentioned.

2 COUNCIL MEMBER ROSENTHAL: Have you ever
3 not contracted with a developer who has the
4 subcontractor who has not properly paid wages for
5 that reason, and I'm guess it goes back to your first
6 answer, which is that you're going to say no because
7 they've not been disbarred by the Bureau of Labor?

8 COMMISSIONER BEEN: We do not--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 Or is there a--

11 COMMISSIONER BEEN: [interposing] have
12 the authority.

13 COUNCIL MEMBER ROSENTHAL: Can you give an
14 example--

15 CHAIRPERSON WILLIAMS: [interposing]
16 Council Member, I'm going ask you to wrap up, please.

17 COUNCIL MEMBER ROSENTHAL: of somebody
18 that's not been, you've not bid with again?

19 COMMISSIONER BEEN: We do not have the
20 authority to debar a contractor completely. We do
21 have case by case review, and yes, there are people
22 that we have refused to allow one of our developers
23 to use on a case by case basis, but we cannot debar
24 from any project, any particular contractor.

2 COUNCIL MEMBER ROSENTHAL: Got it. Thank
3 you very much. I'd like to come back on the second
4 round.

5 CHAIRPERSON WILLIAMS: We haven't figured
6 if we're having a second round yet, but if we do
7 we'll put on you the list.

8 COUNCIL MEMBER ROSENTHAL: There we go.
9 Thank you.

10 CHAIRPERSON WILLIAMS: Actually,
11 Commissioner, I ask the question of that myself. I
12 just want to understand fully. So if contractors
13 have been found of theft wages and any other things
14 that would be considered breeches of contract, you do
15 not have the authority to debar them from getting
16 further contracts?

17 COMMISSIONER BEEN: So, let's be clear
18 about what we mean by debar, right? And also, I may
19 have misspoken, Council Member Rosenthal. I just want
20 to be clear. We don't contract with contractors. We
21 contract with developers that contract with
22 contractors, right. But so if I skipped a link
23 there, I just want to clarify that. So by debar I
24 mean say you cannot be on any of our projects, right?
25 We do not have the statutory authority to debar

1
2 somebody from any business with the city on the basis
3 of--

4 CHAIRPERSON WILLIAMS: [interposing] No
5 matter what they've done, no matter breeches they've
6 done in the past?

7 COMMISSIONER BEEN: On the basis of wage
8 complaints with the Department of Labor.

9 CHAIRPERSON WILLIAMS: Okay. Do you have
10 the authority not to give them contracts even though
11 you haven't technically debarred them?

12 COMMISSIONER BEEN: What we have the
13 authority to do is on a case by case determination,
14 determine whether or not they will--they pass our
15 sponsor review, and whether or not they need to be on
16 the enhanced review list, subjecting them to
17 additional monitoring.

18 CHAIRPERSON WILLIAMS: Okay. I'm not
19 clear what that means. So you have a sponsor's
20 review, then you have an enhanced sponsor's review.

21 COMMISSIONER BEEN: So, everybody has to
22 go through sponsor review for people who have
23 problem, you know, for example, have withholdings
24 that are owed that the Department of Labor has found
25 are owed. We then make a decision as to whether or

2 not they should be on the enhanced review list,
3 getting special monitoring, special auditing,
4 etcetera.

5 CHAIRPERSON WILLIAMS: What happens after
6 their on that enhanced review list? Can you then
7 say, "We don't want to contract with them for future
8 contracts even though they're not technically
9 debarred."

10 COMMISSIONER BEEN: Not across the board.
11 We can on a case by case basis, but not across the
12 board.

13 CHAIRPERSON WILLIAMS: Well, let me ask
14 this.

15 COMMISSIONER BEEN: [interposing] We
16 cannot debar somebody.

17 CHAIRPERSON WILLIAMS: What's the height
18 that you have the authority to do when it is
19 discovered that people have stolen wages?

20 COMMISSIONER BEEN: Well, we are not the
21 labor enforcement agency. So we don't have any
22 authority in terms of, right, making that finding or
23 that kind of thing. What we do is that we--if a
24 contractor is on that enhanced review list, we impose
25 a variety of audits, monitoring, etcetera on them to

2 be sure that they are not committing any violations
3 and that they are paying down on any withholdings
4 that they owe.

5 CHAIRPERSON WILLIAMS: And if they are
6 committing violations?

7 COMMISSIONER BEEN: I'm sorry?

8 CHAIRPERSON WILLIAMS: If they are
9 committing violations?

10 COMMISSIONER BEEN: If they are
11 committing violations, then what we do is we give
12 them what we call a "no closing status." And what
13 the no closing status means is that we will not close
14 the deal with that developer using that contractor.

15 CHAIRPERSON WILLIAMS: So you will not
16 close the deal on--

17 COMMISSIONER BEEN: [interposing] Right,
18 if that--if the developer uses that contractor, we
19 will not close the deal, but that's on a case by case
20 basis.

21 CHAIRPERSON WILLIAMS: So you do have
22 authority not to close the contract?

23 COMMISSIONER BEEN: Yes. On a case by
24 case basis.

2 CHAIRPERSON WILLIAMS: It sounded like
3 you said you didn't have the authority to do that.

4 COMMISSIONER BEEN: No, it's--that's why
5 I'm trying to draw a distinction between debar--

6 CHAIRPERSON WILLIAMS: [interposing]
7 Yeah.

8 COMMISSIONER BEEN: which says, "You're
9 on a bad list. You can never do business with the
10 city. You can never participate in any of our
11 deals." Right? Versus, I'm sorry, versus a case by
12 case review, where we look at the facts of the
13 particular situation, the facts of the particular
14 development, etcetera, and we decide can this deal go
15 forward. Right?

16 CHAIRPERSON WILLIAMS: Yes.

17 COMMISSIONER BEEN: We exercise that case
18 by case review. We do not have a list of debarred
19 contractors.

20 CHAIRPERSON WILLIAMS: I got that. And
21 so I was asking that. I said without debarring, do--

22 COMMISSIONER BEEN: [interposing] Right.

23 CHAIRPERSON WILLIAMS: you have the
24 authority. So you do have the authority without
25 debarring. So the contractors that were in the Daily

2 News article, are they on that enhanced list, and
3 have we done a review, and why are we still going
4 forward with closing contracts with people?

5 COMMISSIONER BEEN: They are on the
6 enhanced review list. They are being subject to
7 additional monitoring, additional auditing,
8 additional constraints, and we expect that they will
9 improve and correct those violations. If they do
10 not, then on a case by case basis we will consider
11 whether or not they should be in our deals.

12 CHAIRPERSON WILLIAMS: Alright. And then
13 my last question and then I want to move onto Council
14 Member Mealy, Council Member Rodriguez. Is there a
15 way to get to that case by case, not closing the
16 contract before they get under the enhanced review if
17 it's already proven that they have stolen wages in
18 the past?

19 COMMISSIONER BEEN: As a legal matter, I
20 think yes. As a policy matter, I mean, we're always
21 asking the question, is this an issue of the
22 contractor not sufficiently monitoring a particular
23 subcontractor, should they not use that
24 subcontractor, should they impose different kinds of
25 monitoring requirements? We're trying to understand

what's causing the problem and trying to fix that problem.

CHAIRPERSON WILLIAMS: I'd like to follow up with this, because it sounds like you've--if they're still moving forward with the deals, you've concluded that the issue was not with the contractor, but more with the subcontractor?

COMMISSIONER BEEN: Well, the contractor is responsible in terms of monitoring, etcetera, but it may be a subcontractor that didn't pay the wages or whatever.

CHAIRPERSON WILLIAMS: Alright, I'd really like to follow up with this, because I'm concerned about the city being in business with people who aren't paying wages to their employees.

COMMISSIONER BEEN: As are we. That's why we establish the enhanced review process.

CHAIRPERSON WILLIAMS: Yeah, and I'm glad there is a process. I just want to understand when the punitive things happen. Why is it taking so long for those punitive things to happen? But we can have another lengthier conversation on that hopefully.

COMMISSIONER BEEN: Okay.

2 CHAIRPERSON WILLIAMS: Thank you.

3 Council Member Mealy and then Council Member
4 Rodriguez. I'm sorry, Commission Crowley, then Mealy
5 and Rodriguez.

6 COUNCIL MEMBER CROWLEY: Thank you.

7 Thank you to our Chairs. Commissioner, I am going to
8 follow up with similar questions regarding the Daily
9 News article yesterday. Now, for those who didn't
10 get a chance to read the Daily News article, it found
11 that 41 million dollars in grants and 206 million in
12 tax credits have been given out 11 different
13 companies, and one of them was a developer, and 10
14 other were companies, contractors that have been
15 found to be breaking the law in variety of ways, not
16 paying payroll tax, not paying worker's compensation,
17 not paying unemployment insurance. It said that your
18 agency were taking strong measures for ensuring that
19 contractors who have broken past issues and were not
20 in compliance in the past, that they were not getting
21 work awarded to them again. So, I have not heard any
22 strong measures so far today. It seems that when
23 they break the rules, then they're put under review.
24 Then they're put under, if they break the rules a
25 second time, enhanced review, and then when they

break the rules under enhanced review, there's never a point where you say, "You're on our bad list. You continue to break the law. You should not be getting city dollars to fund your projects. We're not going to allow you to pay people not even a prevailing wage." They're not even paying a livable wage. They're paying workers on these construction sites-- studies have shown, the Fiscal Policy Institute put out a report that workers were getting paid off the books less than minimum wage. So some of them were working 10 or 12 hours a day, and then, you know, they all--all this money--so these contractors in the story owe workers who barely make a livable wage over 11, close to 12 million dollars. It seems that only people getting a livable or a family sustaining wage on any of these projects are these contractors that are cheating workers. What we can we do as a city to work together to make sure that these developers do not get awarded projects? Because they're not getting city dollars. Earlier you mentioned that you were in negotiations or some type of talk with labor unions. Labor unions make sure that their workers are getting paid a livable wage. So their workers are getting multiple times minimum wage because

1 they're skilled workers and they work in dangerous
2 work. So how can you say you're talking with
3 companies and working with the unions to achieve that
4 goal, when we can't even ensure that workers are
5 making a minimum wage, and that these contractors
6 that get these awards will not get any further awards
7 from our city if they continue to break the law?

9 COMMISSIONER BEEN: So, I think one of
10 the critical things about the housing plan, and I
11 just want to take it back to the housing plan because
12 that is the subject of the hearing. One of the
13 critical things about the housing plan--

14 COUNCIL MEMBER CROWLEY: [interposing] I
15 just--

16 COMMISSIONER BEEN: I'm sorry?

17 COUNCIL MEMBER CROWLEY: The question
18 really is, you have contractors that go under sponsor
19 review. They go under enhanced review. At what
20 point do you say no longer will we allow this
21 developer to subcontract with these subcontractors?

22 [applause]

23 CHAIRPERSON WILLIAMS: Alright, so we
24 can't--we're going to have to--if the outbursts
25 continue, we're going to have to clear the room. So,

1 if we can do this, it shows your impact, and it's
2 less intrusive. I will say, I will agree that we
3 want to try as much to stay focused on the housing
4 plan as possible. We--it looks like we may have to
5 consider doing a hearing just on contracting in
6 general where we can delve a little deeper into this.
7 This may not be the time to do that, but I will say
8 it is germane, because as we're moving forward on
9 this housing plan, we're obviously going to need a
10 lot of contractors, and this is an important issue.

12 COMMISSIONER BEEN: Absolutely. And what
13 I was trying to say is that I think one of the
14 critical things about the housing plan is that it
15 recognizes that the affordable housing crisis is both
16 a question of rents and wages, right? That the
17 reason why housing is unaffordable is as much about
18 stagnant wages as it is about increasing rents, and
19 that's a calculation.

20 COUNCIL MEMBER CROWLEY: Just--I
21 understand that. I heard that in your testimony.
22 What about Local Law 730 that we passed as a Council
23 that requires HPD to have their developers and
24 subcontractors submit more--it brings more
25 transparency into your contractors. Right? So you

2 understand better who they're paying and what they're
3 paying their workforce, but right now HPD is not
4 holding contractors to that law that we as a body
5 passed, it's a city law.

6 COMMISSIONER BEEN: So, the transparency
7 law, we are complying with the vast majority of the
8 transparency law, and we put all of the information
9 up on the website as we were required to do. As you
10 know, portions of that law have been challenged, and
11 while that challenge is underway, we have not been
12 posting those things, because it's an enormous amount
13 of time and effort to go backwards in terms of the
14 records, and so we are awaiting the result of that
15 legal decision, of that legal challenge.

16 CHAIRPERSON WILLIAMS: Thank you, Council
17 Member. I made an error. Council Member, Deputy
18 Gentile is behind me. I didn't see him. I apologize.
19 Next we have Council Member Gentile, Council Member
20 Mealy, and then Council Member Rodriguez.

21 COUNCIL MEMBER GENTILE: Is that a short
22 joke, Mr. Chairman?

23 CHAIRPERSON WILLIAMS: Not at all.

24 COUNCIL MEMBER GENTILE: Thank you, and
25 certainly I would be willing to join both Council

2 Member Crowley and you, Mr. Chairman, on oversight
3 and investigations on the issue that Council Member
4 Crowley just spoke about, and contracts too, I'm
5 sorry, Chairwoman Rosenthal also. I wanted to bring
6 up another issue that struck me as I heard the
7 opening statements of the two Commissioners, and
8 thank you Commissioners for being here, and I know
9 Commissioner Weisbrod could not stay, but in your
10 opening statement, Commissioner Been, you indicated
11 that this plan, this 10 year plan, is emphasizing the
12 efforts to improve and preserve the affordability and
13 quality of our existing housing stock. And then
14 Chairman Weisbrod also mentioned that his
15 department's focus was on the ground up neighborhood
16 planning efforts that strengthen communities. I just
17 wanted to ask if you would acknowledge that there is
18 another housing trend that is going on, particularly
19 throughout the outer boroughs, that has the exact
20 opposite effect of maintaining the quality of
21 existing housing stock and strengthening communities,
22 has the exact opposite effect, and the reason it has
23 the exact opposite effect is because it is increasing
24 the density in those neighborhoods, exponentially
25 increasing the density in those neighborhoods without

any of the amenities that would deal with that increased density as you would have in inclusionary zoning, the mandatory inclusionary zoning. And that housing trend that I'm speaking of that is created and is creating this density is really going pretty much unchecked by the city of New York, and that is this new group of landlords that have come in and have basically taken small family homes throughout the city of New York and transformed them into multiple divisions in the structure. So what would have housed two families, one family, two families, three families now is housing 10, 12, 15 different families in those buildings. That creates substandard housing. So it's not good for those who are in it, but it also decimates the quality and character of the neighborhood, particularly when it comes to infrastructure and comes to the overcrowding of local schools. This is happening throughout the outer boroughs, particularly the outer boroughs. So, I'm curious if you acknowledged the fact that this is an issue that has to be dealt with, and I must say to the extent that I've talked to the Department of Buildings, they've pretty much turned a blind eye to this increasing problem.

2 COMMISSIONER BEEN: So, I certainly agree
3 that it is a horrible problem that is affecting both
4 the quality of life of those tenants and the quality
5 of the neighborhoods, and certainly the housing plan
6 recognized it as a very significant problem. As you
7 note, the problem largely is a building code issue
8 and enforced by the Department of Buildings. Some of
9 it is a housing maintenance code issue, and we, our
10 inspectors respond to complaints about housing
11 maintenance code issues that are involved in illegal
12 subdivisions day in and day out, and we work very
13 hard to prevent that from happening by enforcing the
14 housing maintenance code. We're limited in our
15 ability to target the kinds of issues that we're
16 talking about through the housing maintenance code,
17 because it is primarily a building code issue, but we
18 continue to work with the Department of Buildings and
19 continue to alert them when a 311 complaint or other
20 complaint or just our inspectors on the ground
21 knowledge of the neighborhoods indicates that there
22 is an illegal subdivision going on. I agree with you.
23 It's a terrible problem. We're trying to deal with it
24 through the housing maintenance code as best we can,

2 but it is going to have to be dealt with as a
3 building code issue as well.

4 COUNCIL MEMBER GENTILE: And you
5 acknowledge that it has the opposite effect--

6 COMMISSIONER BEEN: [interposing]
7 Absolutely.

8 COUNCIL MEMBER GENTILE: of what you're
9 trying to achieve?

10 COMMISSIONER BEEN: Absolutely.

11 COUNCIL MEMBER GENTILE: Thank you.
12 Thank you, Mr. Chairman.

13 CHAIRPERSON WILLIAMS: Thank you.
14 Council Member Mealy, Rodriguez and Levine.

15 COUNCIL MEMBER MEALY: Yes. Good
16 afternoon. I would love to know how you did your
17 advisory board plans. Was that your advisory board
18 plan with all the CBO's in the community that I
19 walked in on in my community the other--four months
20 ago? Was that the advisory board?

21 COMMISSIONER BEEN: No. You--

22 COUNCIL MEMBER MEALY: [interposing] Have
23 you did one for Brownsville as of yet?

24 COMMISSIONER BEEN: Pardon?
25

2 COUNCIL MEMBER MEALY: Have you did one
3 for Brownsville as of yet?

4 COMMISSIONER BEEN: No, it's a not
5 neighborhood by neighborhood. What--as you know,
6 because we, you and I have met and discussed it
7 Council Member Mealy--

8 COUNCIL MEMBER MEALY: [interposing] No,
9 we really didn't discuss it. That's how I know that--
10 -it seemed like you have a plan for Brownsville, but
11 you feel the elected official should not even attend
12 some of the meetings that you're working with the
13 community with.

14 COMMISSIONER BEEN: So--

15 COUNCIL MEMBER MEALY: [interposing] I
16 want to get a clear understanding where this advisory
17 board came to be in Brownsville.

18 COMMISSIONER BEEN: Okay. There is no
19 implementation advisory board in Brownsville. There
20 is an implementation advisory board for the city as a
21 whole that provides advice on the implementation of
22 the housing plan. In Brownsville, as you know, I
23 convened a group of the agencies to talk about the
24 different programs that each of us had going on in
25 Brownsville and how we could work together better to

leverage better to be of more help to your community.
That's the meeting that--

COUNCIL MEMBER MEALY: [interposing] And
you didn't feel that the--

COMMISSIONER BEEN: [interposing] took
place in Brownsville.

COUNCIL MEMBER MEALY: elected officials
should be at that meeting? That's what you told me
to my face.

COMMISSIONER BEEN: It was an interagency
discussion about how the--

COUNCIL MEMBER MEALY: [interposing] But
how could you come into--

COMMISSIONER BEEN: [interposing]
agencies--

COUNCIL MEMBER MEALY: someone's district
that we are planning to working together? The
elected official needs to be there. That is very
disrespectful. And this Administration is doing that
a lot recently. The same way with the Mitchell-Lama,
let's move on. We're trying to preserve houses. How
many Mitchell-Lama's are still left in the city that
you say about 56 of them are opting out, how many of
them--how many are they in Brooklyn?

2 COMMISSIONER BEEN: I don't have that
3 figure off the top of my head. I'm sorry, but I'm
4 happy to--

5 COUNCIL MEMBER MEALY: [interposing] But
6 Chair, these numbers should be here today. What
7 other programs that we are trying to preserve housing
8 with Mitchell-Lama? What programs, if someone--we
9 say they are opting out of Mitchell-Lama coming 2020,
10 what other programs that we are giving these develop,
11 or these owners of these Mitchell-Lama's?

12 COMMISSIONER BEEN: So it depends upon
13 the particular need of the development. If the
14 development needs a lot of rehab, then we tend to
15 give a lot of rehab money, which can come in a
16 variety, through a variety of our programs. If it's
17 not so much a question of rehab, it can be energy
18 upgrades.

19 COUNCIL MEMBER MEALY: Okay.

20 COMMISSIONER BEEN: That's a different
21 set of programs.

22 COUNCIL MEMBER MEALY: If a Mitchell-Lama
23 does not need upgrading--

24 COMMISSIONER BEEN: Uh-huh.
25

2 COUNCIL MEMBER MEALY: I was just
3 speaking to your staff. One of them is going to opt
4 out soon, and it's about three years, and you're
5 telling me Article 11, we can't have them stay in
6 Mitchell-Lama and give them the Article 11 to
7 preserve housing?

8 COMMISSIONER BEEN: So, let me turn to
9 the expert on this.

10 COUNCIL MEMBER MEALY: Please.

11 COMMISSIONER BEEN: From--so Gary Rodney
12 is the President of the Housing Development
13 Corporation.

14 COUNCIL MEMBER MEALY: I would love to
15 meet with you one day.

16 COMMISSIONER BEEN: Chair Williams, I
17 think, will you swear in--

18 COUNCIL MEMBER MEALY: [interposing]
19 Please swear--

20 COMMISSIONER BEEN: President--

21 CHAIRPERSON WILLIAMS: Sure. Can you
22 raise your right hand please? Do you affirm to tell
23 the truth, the whole truth and nothing but the truth
24 in your testimony before the committee and to respond
25 honestly to Council Member questions?

2 GARY RODNEY: Yes, I do.

3 CHAIRPERSON WILLIAMS: Please state your
4 name as well and the agency.

5 GARY RODNEY: I'm Gary Rodney. I'm
6 President of the New York City Housing Development
7 Corporation. So, Council Member Mealy, I guess, we
8 have at HDC, we have a Mitchell-Lama preservation
9 program where it's been in effect for over 10 years
10 now, and we've effectively preserved over 32,000
11 unites and we're actively continuing to do that.

12 COUNCIL MEMBER MEALY: So how we going to
13 preserve them if they're opting out, well want to opt
14 out of Mitchell-Lama?

15 GARY RODNEY: Well, we have--

16 COUNCIL MEMBER MEALY: [interposing] Is
17 there another Mitchell-Lama program they could get
18 into that we could give them a tax break to keep them
19 in Mitchell-Lama? Yes? No?

20 GARY RODNEY: It's not that simple, I'll
21 tell you first. It's not that simple as just a tax
22 break, which is why I say it's just not that simple.
23 The Mitchell-Lama has a very specific tax break that
24 comes along with that program. What we do is we
25 provide the lost cost financing to try to keep them

in that program. And what the pro--as they're getting closer to the terms of opting out, we look at what capital needs are needed in the property. We have our engineers and our asset managers continue to look at all of those items. So, we continue to do that. It's a work in progress. It's easier on the rentals than it is on the co-ops, because you have a board that you have to convince to kind of come in there, and these neighborhoods are changing. We tried to offer as many incentives as we can to continue to preserve them, but we have preserved quite a few Mitchell-Lamas and we're actively doing that.

COUNCIL MEMBER MEALY: Can we preserve Mitchell-Lama? Because this is a matter of gentrifying a whole neighborhood within two years. Seven hundred and 16 units, I believe he's--HPD is trying to get us to opt, to let this owner opt out three years early. Why can't we put him in another Mitchell-Lama program?

GARY RODNEY: Well, I'm not sure which one in particular you're referring to.

COUNCIL MEMBER MEALY: Atlantic Towers.

COMMISSIONER BEEN: So--

2 COUNCIL MEMBER MEALY: That's the biggest
3 Mitchell-Lama in my whole district.

4 CHAIRPERSON WILLIAMS: Council Member,
5 I'm going to ask you wrap up, please.

6 COMMISSIONER BEEN: Yeah, and we are
7 working with the building--

8 COUNCIL MEMBER MEALY: [interposing] Can
9 they get back into Mitchell-Lama, yes or no?

10 COMMISSIONER BEEN: There is--

11 COUNCIL MEMBER MEALY: [interposing] No?

12 COMMISSIONER BEEN: What--once they--

13 COUNCIL MEMBER MEALY: [interposing] So,
14 Article--

15 COMMISSIONER BEEN: [interposing] opt
16 out of a Mitchell-Lama program, they can go into
17 other affordability programs. They cannot go back
18 into a Mitchell-Lama program, but they can go into
19 other affordability programs that will preserve them
20 in exactly the same way.

21 GARY RODNEY: And all of these--

22 COUNCIL MEMBER MEALY: [interposing]
23 Okay, I will speak to them afterwards.

24 GARY RODNEY: All of these restrictions
25 come with our regular--all of these financiers that

2 Commissioner Been mentioned and myself, they come
3 with regulatory restrictions that maintain the
4 affordability going forward.

5 COUNCIL MEMBER MEALY: Is any of these
6 programs financially feasible without seeking
7 additional state or federal funding?

8 GARY RODNEY: Yes.

9 COUNCIL MEMBER MEALY: Okay.

10 GARY RODNEY: It varies with each
11 property how much we can do, but the short answer is
12 yes.

13 COUNCIL MEMBER MEALY: Okay, I will speak
14 to you, Mr. Rodney.

15 CHAIRPERSON WILLIAMS: Thank you, Council
16 Member. Council Member Rodriguez, Council Member
17 Levine, Council Member Levin, Gibson, Torres.

18 COUNCIL MEMBER RODRIGUEZ: Thank you.

19 CHAIRPERSON WILLIAMS: Unless Council
20 Member Treyger comes back.

21 COUNCIL MEMBER RODRIGUEZ: Thank you.
22 Commissioner, first of all, like, you know there's a
23 lot of expectation that we have when it comes to
24 preservation, especially those communities that feel
25 that we were left out in the previous Administration.

Like in my district, as you know, and we talk about it like, we have 80 percent of our apartments in northern Manhattan, Washington Heights and Inwood are rent regulated, and from 20 to--from the 2000 to 2010 we lost 14,000 people who moved from that district. So we have a big challenge because we don't have many plant linings of the district. However, you know, the community expect that we will be included, especially since in the last--in the previous Administration we only got 200 affordable housing builds in northern Manhattan and only like 2,000 something preservation. So, I know that the same concern that I have is a concern that you will hear from many other Council Members, but I think that for me like the most important thing that I would like to see in this plan is how will this Administration work to be sure that those communities that were left out before will be included in this affordable housing plan.

COMMISSIONER BEEN: So, Council Member, as I've said, we are looking at every single neighborhood and trying to preserve as much affordable housing in each and every neighborhood as we possibly can. We are not going to leave any

neighborhood out, let me assure you, and we're starting with the rent regulation issue, because as you know, the loss of rent regulated units is really hurting many many communities, yours certainly one of the--at the top of the list. And rent regulation is a major issue that the Administration will be working in Albany along with tenant advocates and others to protect the rent regulation, to--

COUNCIL MEMBER RODRIGUEZ: [interposing]
What kind--as you know, like, and everything is local because at the end of the day even though I will be advocating for this citywide, but when I go to northern Manhattan I will be asked, and I know that the same goes for all the Council Members. What--when it comes to preservation, what are the most important incentives that the city is ready to offer to landlords that has building that they are like--they are like 75 years old. A building that, you know, they have to be renovated, apartment that has to be renovated and again, like I want to, and I hope that and I believe that this Administration also the writing, and I also hope that we, you know, the city will be able to accomplish this affordable housing plan as the Administration we need in different

2 community, what are the most important incentive that
3 this Administration is ready to offer the landlords
4 so that they can keep those apartments affordable?

5 COMMISSIONER BEEN: So, it's really a
6 combination of things. If in the example that you
7 gave there are serious rehab needs, then we can
8 provide capital. We can provide evaporating loans,
9 and we can provide tax exemptions of various kinds
10 and links, right? So those are huge incentives in
11 terms of lowering the operating costs and in terms of
12 getting an infusion of capital into a building that
13 really needs a rehab or whatever. So, it's a wide
14 variety of programs, and I'm delighted to sit down
15 and talk them through with you. As I said, we are
16 looking at all neighborhoods and will be coming to
17 you with our analysis of the opportunities and
18 challenges, you know, in terms of preservation for
19 your neighborhood and look forward to working with
20 you on that.

21 COUNCIL MEMBER RODRIGUEZ: Thanks, I
22 appreciate it. And my other question is about when
23 we--first of all, with the code enforcements. First
24 of all, we have a great guy, Vito, who is there who
25 do a great job, but one thing that I see that in

order to keep our apartments affordable, as we have to support the good one, the good landlords, we also have to have a stronger law so that, you know, that we are able to enforce, and those violations that HPD is able to give to landlords who has leases such as 520 West, 183 Street, 560 West, 177 Street, 82 and Weisburg [sic], landlords like they go to those buildings and unfortunately harassing tenants. How can this city work harder to be tough with a code enforcement?

COMMISSIONER BEEN: So, you're right that the Deputy Commissioner, that Vito is a, what I have called, a national treasure for the city in terms of all the work that he does and he and his team do in the neighborhoods. We are constantly looking for additional tools for ways to strengthen the enforcement against the bad actors as you put it. You know, our alternative enforcement program, our proactive preservation program, we're always experimenting. We were out, for example, doing cluster inspections, looking roof to cellar at building after building trying to find ways of increasing the enforcement and increasing compliance. So we are constantly looking to enhance our

2 enforcement of the housing maintenance code and
3 ensure that buildings are being maintained well.

4 CHAIRPERSON WILLIAMS: Thank you.
5 Council Member Levine?

6 COUNCIL MEMBER LEVINE: Thank you, Chair
7 Williams. Thank you, Commissioner for your
8 endurance. By far the largest affordable housing
9 program in the city. Actually it dwarfs every other
10 affordable housing program combined is rent
11 regulation, which serves close to one million
12 families. This is a program which is under threat
13 for hemorrhaging thousands of units a year out of our
14 regulation. In fact, by some estimates, all the
15 gains that were made in the Bloomberg era in which
16 165,000 units were constructed were outdone by losses
17 of affordable units in the rent regulation program.
18 And the pace of deregulation is at least as strong if
19 not accelerating in the current market. How do you
20 account for this in your measure of success? How do
21 you account for not only if you will the gross gain
22 of new construction and preservation, but also what
23 might be called a net gain, which takes into account
24 loss of affordable units and rent regulation?

2 COMMISSIONER BEEN: So, we think that
3 preserving rent regulation is a critical part of the
4 plan, as the plan made clear, and we will be fighting
5 as hard as we can to both ensure the protection of
6 the tenants in rent regulated units stemming the tide
7 of deregulations from those units and really working
8 to strengthen the rent regulation program. We do not
9 want to lose those units.

10 COUNCIL MEMBER LEVINE: And I was
11 appreciative to hear you mention that in your
12 remarks, but it's wonderful that the Administration
13 is going to advocate to Albany as we sat through and
14 do the rent laws next year, but there's also a great
15 deal the city can do itself that's in our own hands
16 that we don't have to go to Albany to ask for.
17 Particularly, I'm thinking of the situation in the
18 Housing Court in New York City where the pace of
19 evictions has been accelerated in recent years. By
20 some estimates, half of the evictions in the city are
21 in rent regulated units and presumably many if not
22 most of those have been lost forever to
23 affordability. Where does preventing the pace of
24 evictions and therefore slowing the pace of
25 deregulation figure into your plan?

2 COMMISSIONER BEEN: So, we work very hard
3 to prevent landlords from harassing tenants by
4 bringing eviction actions and that kind of thing.
5 When, obviously, the area that we have the most
6 control over is because we do enforce the housing
7 maintenance code is the ways in which landlords can
8 use, you know, problems in the buildings or lack of
9 maintenance in the buildings to try to drive tenants,
10 and we work very hard to prevent that. We certainly
11 recognize the problem of the bigger problem of
12 harassment which can include multiple eviction
13 actions, etcetera, and are trying to work with the
14 tenants advocates and in Albany to contain that. I
15 mean, I'm not sure what you mean by what the city
16 could do in terms of evictions. Obviously, one thing
17 we could do is--

18 COUNCIL MEMBER LEVINE: [interposing]
19 Well, for--

20 COMMISSIONER BEEN: fund lawyers. I know
21 that that's--

22 COUNCIL MEMBER LEVINE: [interposing]
23 Well, for sure.

24 COMMISSIONER BEEN: Yes, that's a--
25

2 COUNCIL MEMBER LEVINE: [interposing]
3 Only ten percent of tenants in Housing Court have
4 attorneys.

5 COMMISSIONER BEEN: Exactly.

6 COUNCIL MEMBER LEVINE: That's feeding
7 the pace of evictions, which are up 20 percent in the
8 last five years. Thirty-five thousand evictions last
9 year, a couple of thousand cases in Housing Court.
10 It's obvious that many thousands of tenants are
11 actually leaving their apartments through
12 intimidation or buy-outs during the judicial process,
13 because they're fearful of taking on a landlord when
14 they have no attorney. Cost of providing attorneys,
15 maybe two or three thousand dollars per case,
16 dramatically improves the chances of a tenant
17 avoiding eviction.

18 COMMISSIONER BEEN: Uh-hm.

19 COUNCIL MEMBER LEVINE: What would be the
20 average cost of developing a unit of affordable
21 housing by comparison?

22 COMMISSIONER BEEN: We're talking
23 hundreds of thousands of dollars.

24 COUNCIL MEMBER LEVINE: Right, so--
25

2 COMMISSIONER BEEN: [interposing] So,
3 yes, I understand. And one--so one thing that we are
4 doing as part of homelessness efforts is, you know,
5 really expanded the home base program to provide
6 lawyers to people who are facing eviction who might
7 then become homeless, and so we are doing that, but
8 short of providing attorneys for the tenants, or it
9 doesn't have to be attorneys it could be, you know,
10 paralegals, etcetera, but providing legal assistance
11 to the people who are being sued for eviction, trying
12 to educate tenants about their rights, and we've
13 worked very closely with the council on that housing
14 information guide and trying to get the word out to
15 tenants about those kinds of issues. We spend
16 enormous amounts of time in tenant's nights across
17 the city trying to educate tenants about their
18 rights.

19 COUNCIL MEMBER LEVINE: Just very quickly
20 before my time is up, can we count families who are
21 allowed to remain in their apartment thanks to an
22 attorney avoiding an eviction towards our goal of
23 preservation?
24
25

2 COMMISSIONER BEEN: Not under our
3 existing counting rules. I would be happy to talk
4 about that.

5 COUNCIL MEMBER LEVINE: I would like that.
6 Thank you.

7 CHAIRPERSON WILLIAMS: Thank you. We have
8 three more colleagues who have questions. Thank you,
9 Commissioner, for staying, and we'll try to get you
10 out fairly soon. If my colleagues can try to also
11 keep the questions to the Mayor's Housing Plan as
12 much as possible. We have Council Member Levin,
13 Gibson and then Torres.

14 COUNCIL MEMBER LEVIN: Thank you,
15 Commissioner, nice to see you. First I want to start
16 out by giving a quick shout out to my friend, Deputy
17 Commissioner Vito Mustaciuolo, who's here whose work
18 is extraordinary and his unit is the frontlines as
19 you're aware and is always accessible to my
20 colleagues and myself and other elected officials and
21 neighborhood organizations. So we really appreciate
22 that.

23 COMMISSIONER BEEN: Thank you.

24 COUNCIL MEMBER LEVIN: I have three
25 questions that I want to ask. The first one, what is

2 the city's position on the reauthorization of 421A in
3 Albany this year? What is it--what is the--what
4 would the Administration like to see in a new 421A?
5 Would the Administration like to see 421A extended?
6 What would be in such a proposal and how would it be
7 different than the current parameters of 421A that
8 are in place right now?

9 COMMISSIONER BEEN: So, we're looking--
10 so, we would like 421--we would like to see 421A be a
11 much more efficient and effective tool for the
12 preservation of affordable--for the--I'm sorry, the
13 construction of affordable housing. We're looking at
14 a variety of different levers, or what I call the
15 levers, the geographic exclusionary, the length of
16 benefits, the--should the certificate program be
17 revived or changed in some ways. So we're really
18 looking top to bottom at 421A, and we'll be
19 announcing our, you know, what we think should be
20 done at the beginning of the legislative session.

21 COUNCIL MEMBER LEVIN: Okay, so expanded
22 exclusionary deeper affordability, lower numbers,
23 lower level of affordability?

24 COMMISSIONER BEEN: We're looking at--
25

2 COUNCIL MEMBER LEVIN: [interposing] Like
3 lower AMI's?

4 COMMISSIONER BEEN: each and every one of
5 those, yes. Each and every one of those.

6 COUNCIL MEMBER LEVIN: Lesser tax breaks?
7 Shorter tax breaks?

8 COMMISSIONER BEEN: Yes, the periods
9 during which the tax incentive is available, the
10 levels of affordability, the available--whether or
11 not that you can use multiple sources of subsidy for
12 the same units, all of those questions.

13 COUNCIL MEMBER LEVIN: Okay. Okay, I
14 look forward to talking with you as that moves
15 forward. What is the city's plan for senior housing?
16 First, how many seniors are on the 202 waiting list
17 right now in New York City, do you know?

18 COMMISSIONER BEEN: I'm sorry, I don't
19 know that number, but if we--

20 COUNCIL MEMBER LEVIN: [interposing] It's
21 in the--

22 COMMISSIONER BEEN: have that number--

23 COUNCIL MEMBER LEVIN: tens of thousands,
24 probably, if not like hundreds of thousands, right?
25 And what does the city plan to do to meet the needs

of New York City's seniors in terms of constructing new senior housing and what's our goal? What are we shooting for? How--what's the number of senior housing units that we would like to see built in the next ten years?

COMMISSIONER BEEN: So, that is some--the latter question is actually something that we're working on right now, trying to really assess the needs for senior housing at different AMI levels. That's a critical question, is you know, exactly what AMI levels do we really need that housing?

COUNCIL MEMBER LEVIN: I imagine they're low

COMMISSIONER BEEN: They're low.

COUNCIL MEMBER LEVIN: I would say probably between 20 and 60 percent of AMI is where we really need to be shooting for.

COMMISSIONER BEEN: Yes, but what we're trying to better understand is what are the opportunities for cross-subsidy, how could we use some of, for example, our inclusionary housing, our 421A to target those low income seniors. So we're trying to size the problem and size the ability to use cross-subsidies in that way, right?

2 COUNCIL MEMBER LEVIN: Okay.

3 COMMISSIONER BEEN: So that's the first
4 thing. The second this is is that we're looking for
5 every opportunity to build supportive housing, both
6 in, you know, as standalone just senior housing and
7 as, you know, a mix with other units as well. We
8 actually, you know--one of the things that we're
9 trying to get a better handle on data wise is just
10 how many seniors are in our existing buildings.
11 Obviously a senior can enter the lottery and get one
12 of our units even if it is designated a senior unit,
13 and we're trying to get a better handle on how many
14 of those senior--how many seniors we're actually
15 addressing through those kinds of ways in addition to
16 just pure senior housing.

17 COUNCIL MEMBER LEVIN: Alright. It would
18 be helpful to know, to get the data on just how many
19 seniors are on that waiting list.

20 COMMISSIONER BEEN: Exactly.

21 COUNCIL MEMBER LEVIN: I bet you it's--I
22 mean, I think the last time I checked it was like in
23 the many tens of thousands.

24 COMMISSIONER BEEN: Okay.
25

2 COUNCIL MEMBER LEVIN: So, obviously we
3 are so far behind on meeting the need that, I think
4 we need to go into overdrive on that.

5 COMMISSIONER BEEN: Absolutely.

6 COUNCIL MEMBER LEVIN: I wanted to ask in
7 my time remaining, how does the Administration and
8 HPD plan on addressing the issue of--for instance, in
9 my district along the Williamsburg Green Point
10 waterfront where over the last--it's about 10 years
11 ago that was rezoned, and it was rezoned in a way
12 that incentivized developers to do what we would call
13 now a rich door poor door, where you have a luxury
14 tower on the waterfront and then you have low rise on
15 the Kent Avenue side, which at the time was, it was
16 designed so that the Kent Avenue building, the low
17 rise, would be an affordable building.

18 CHAIRPERSON WILLIAMS: Council Member,
19 I'll ask you to wrap up the question.

20 COUNCIL MEMBER LEVIN: And the waterfront
21 building, the tower, is luxury, that's how it was
22 designed, and the financing programs like the Lamp
23 Program and others were designed so that the
24 standalone building, that the affordable building
25 would be a standalone building. That's not

2 acceptable anymore, but we have that zoning framework
3 in place there that really it's hard to--it's hard
4 for a developer to not do it in that instance
5 because--

6 CHAIRPERSON WILLIAMS: [interposing]
7 Council Member?

8 COUNCIL MEMBER LEVIN: that's how it was
9 designed. How does HPD want to, and City Planning,
10 how do we want to address that collaboratively,
11 because otherwise we're going to see a lot of that
12 happening, and my constituents are going ask me why
13 am I letting that happen?

14 COMMISSIONER BEEN: So we are working
15 collaboratively on that issue as well as many, many
16 others, and obviously as you point out, it requires a
17 change to the zoning resolution and we are reviewing
18 the various kinds of changes that we could make, and
19 we'll be moving forward on that as we revisit the
20 voluntary inclusionary program and as we roll out a
21 mandatory inclusionary program.

22 COUNCIL MEMBER LEVIN: Okay, but you're
23 not saying you're looking to rezone the Williamsburg,
24 re-re-zone the Williamsburg Green Point waterfront?

25 COMMISSIONER BEEN: No, we are not--

2 CHAIRPERSON WILLIAMS: [interposing]

3 Council Member--

4 COMMISSIONER BEEN: saying that.

5 COUNCIL MEMBER LEVIN: Okay.

6 CHAIRPERSON WILLIAMS: Thank you.

7 Council Member Gibson then Council Member Torres.

8 COUNCIL MEMBER GIBSON: Good afternoon.

9 Thank you, Commissioner, for being here, for your

10 testimony. Thank you to our Chairs for hosting

11 today. I know we're all limited with time. So,

12 there's been so much discussed and I guess let me

13 just first acknowledge the work HPD is doing. This

14 is a very ambitious plan. I give you credit for doing

15 a lot of work to try and put this plan together.

16 There's a lot of details that are really not known,

17 and so that's why we all have many, many questions.

18 Moving forward, I speak to you as a former Assembly

19 Member in Albany who has always supported rent

20 reform, rent regulation and repealing R-Stat [sic],

21 our vacancy decontrol, MCI reform. I live this every

22 day. I represent the Bronx. I represent Bronx

23 Housing Court that had 11,000 evictions last year.

24 So, when I ask the questions it's because I live this

25 every day. I work with so many advocacy groups like

CASA and, you know, LIUNA [sic] and all the others who are here that really are trying to do a lot to educate tenants so that they're not victims in this struggle. So I guess the two things that I just wanted to raise and my colleagues really talked about some of the other things that we really have to deal with because they're a part of this plan. The contracting issue is very important for us as we look to build and develop in this city. I'm concerned about 421A and J51 as well, and the advisory board that you talked about, when it does get to the Bronx, I certainly encourage you to include some of my tenant groups that I work with the in Bronx because they can help you. They can offer a lot of the concerns that have been raised by the larger public. In this particular plan, I have a question about middle income families. Those are the families that sit right in the middle that are not eligible for low income and cannot afford market rate apartments. There are a lot of families like that. My concern is this plan does not promote opportunities in terms of incentives and other ways to stimulate growth for those middle income families. That's number one. And number two, I along with many of my other

colleagues, we represent communities that have very large families. So a lot of the housing that we see that HPD is developing, if there are 100 units, we're lucky to get two three bedroom apartments, and I've talked to many developers and I know the challenges in terms of providing the opportunity to not only incentivize but profit. We want this to be a profitable industry, but we also want to create a plan that addresses the residents in this city, and so three bedroom apartments must be a part of this plan, not one, not two, but something of substance and value that's really meaningful, because what you have now are families of 10 and 12 living in one and two bedroom apartments, because that's their everyday reality. So, I'd like to know, in this plan as we move forward, middle income housing, are we looking at changing some of our tax credits and incentives and also some of the large units for large families?

COMMISSIONER BEEN: I'm going to ask President Rodney, the President of the HDC, the Housing Development Corporation, which is our finance agency to speak to the middle income issue, because he's really driving those programs. Let me just start with your last question and then we'll go there

2 in terms of the large bedroom or three bedroom
3 apartments. So in our new term sheets we across the
4 board require that there be at least 15 percent three
5 bedroom apartments. So that we hope will go some way.
6 Certainly, we'll meet--

7 COUNCIL MEMBER GIBSON: [interposing] For
8 every project, or that's 15 percent overall?

9 COMMISSIONER BEEN: No, for every
10 project.

11 COUNCIL MEMBER GIBSON: Okay.

12 COMMISSIONER BEEN: So we used to have a
13 program that was much more focused on one and two
14 bedrooms. We, you know, with the help of folks like
15 you have realized that that's not where the critical
16 issues are or it's not such a critical issue that,
17 you know, many studios for the one person households,
18 especially the senior households are critical, and
19 then those three bedrooms are critical. So we have
20 now imposed a requirement 15 percent three bedrooms.
21 So, that's your second question. Let me turn to
22 President Rodney to answer your first.

23 GARY RODNEY: So, we actually agree with
24 you that middle income housing is an important
25 priority. So, one of the programs which was

mentioned earlier is our mixed middle income program, or our M2, where there's three different levels of income within each property that we finance under this new program. Twenty percent will be low income. Thirty percent will be what we're calling a moderate income that those are for families that fall between 80 and 100 percent of AMI, and then the top tier will be set for families at 130 percent of AMI. So, that number will vary a little bit, but that's how the program is set up. We still have our old 50/30/20 program where we have 30 percent middle income there, and we also have what's a new program called Mix and Match, which tries to effect that as well. So we've got three programs where we are really trying to target middle income families.

COUNCIL MEMBER GIBSON: Okay, well, I know my--

CHAIRPERSON WILLIAMS: [interposing]
Council Member--

COUNCIL MEMBER GIBSON: time is up. So I thank you all and certainly we'll continue to have conversations with all of you. Thank you, Mr. Chair.

CHAIRPERSON WILLIAMS: Thank you.
Council Member Torres who I'm sure will be having a

2 co-chairing hearing on how the affordable housing
3 effects public housing in their future, and I'm
4 sorry, we're going to probably have to be strict on
5 the five minutes, because the Commissioner may have
6 to leave.

7 COUNCIL MEMBER TORRES: Yeah, although I
8 actually do have a few questions regarding public
9 housing. I'm wondering does the Mayor's housing plan
10 make any assumptions on developing on public housing
11 land?

12 COMMISSIONER BEEN: The--in our budgeting
13 we assumed that the kinds of projects that we had
14 done in the past, which were often, you know, parking
15 lots that were underused would be converted to, you
16 know, would be developed as they always have been.
17 So we assumed basically a sort of straight line of
18 what we had been doing over the past decade. We
19 didn't assume anything related to what was called in
20 the prior administration infill, etcetera.

21 COUNCIL MEMBER TORRES: Okay, so you're
22 going to follow the usual trajectory of development
23 and public housing land. So what percentage of the
24 200,000 units are going to be on--or 80,000 that
25

2 you're going to create are going to be on public
3 housing based on that trajectory?

4 COMMISSIONER BEEN: I don't recall. Let
5 me get that number to you from the budget, what we
6 had in the budget projections, but the key point is
7 that we didn't make any assumptions about the, you
8 know, major development of the kind that we had
9 talked about or that had been talked about by the
10 prior Administration. It's really, you know, based
11 upon what we've done over the last few years.

12 COUNCIL MEMBER TORRES: Now the prior
13 Administration spoke about market rate development on
14 public housing land. My understanding is that NYCHA
15 is piloting a community visioning process in three
16 developments.

17 COMMISSIONER BEEN: Right.

18 COUNCIL MEMBER TORRES: One of which is
19 Ingersoll, which is in downtown Brooklyn, which is
20 probably the most--one of the most gentrifying parts
21 of the city, and so I'm wondering what are the plans
22 for Ingersoll and how does that factor into the
23 Mayor's housing plan?

24 GARY RODNEY: So, Councilman, it's good
25 that you mentioned Ingersoll. We're going to be

2 reconvening with residents and stakeholders tomorrow
3 evening to talk about affordable housing and what the
4 expectations are for both residents who live at
5 Ingersoll and for people who live surrounding that
6 development. You're absolutely right. At that
7 particular location there's been rapid
8 gentrification. During our three engagement,
9 resident engagement visioning sessions what we heard
10 primarily was demand for affordable senior housing at
11 50 percent or less AMI bandwidths. That was the
12 primary response that we received from residents.
13 They were not opposed to development, but they were
14 very concerned about what kind of development could
15 be built at Ingersoll which would be complementary
16 again to the comment I made earlier. A concern that
17 NYCHA has is we have a number of seniors who are
18 aging in place within our developments.

19 COUNCIL MEMBER TORRES: Just for the sake
20 of time I'm going cut you off.

21 GARY RODNEY: I'm sorry.

22 COUNCIL MEMBER TORRES: I will say that
23 although 50 percent of AMI might be well beyond the
24 median income in public housing, that's about 40,000
25 a year, which I suspect is well beyond the median

income in public housing. But I do want to speak about, it seems to me the Mayor's Housing Plan is heavily, I guess, moving away from public housing, is centered around development, and what about housing code enforcement, what's the Mayor's plan for improving housing code enforcement? And in particular, one of the most powerful tools for improving housing quality in New York City is Article 7A, is the process by which we can deprive the worst owners of their neglected properties, and yet it's one of the most grossly underfunded tools. And so what's the mayor's plan for properly funding Article 7A and enhancing housing code enforcement generally?

COMMISSIONER BEEN: So, the plan makes clear that enforcing and securing compliance with the housing code is a critical piece of the plan. We have to maintain the quality as well as the affordability of our existing housing stock and the plan makes that very clear. In terms of ramping up enforcement, I mean, we thanks to the June Executive budget and to work from City Council, we have increased the staffing in our enforcement areas. We can do more and we will be doing more as we roll forward into other budgets, and we are looking

2 closely at all of our programs, 7A, alternative
3 enforcement, proactive preservation, etcetera to make
4 sure that we're using them as effectively as
5 possible.

6 COUNCIL MEMBER TORRES: Well, I think
7 it's critical that we properly fund Article 7A, and I
8 hope that is a factor in the Mayor's Housing Plan.
9 And I do have one criticism for HPD, is that I'm
10 unhappy to hear that the agency's declining to
11 enforce the, or implement the HPD Transparency Act,
12 and I feel strongly that when the Council passes a
13 law an agency should implement the law immediately
14 after it passes, not pending a legal challenge. I
15 just think that's a basic matter of separation of
16 power. So, with that said, that's the end of my
17 questioning. Thank you.

18 COMMISSIONER BEEN: Thank you.

19 CHAIRPERSON WILLIAMS: Thank you, Council
20 Member, and thank you, Commissioner, for your
21 patience. We started late today and you stayed past
22 the time that you had planned to. I very much
23 appreciate that. It's obvious we were not able to
24 drill down, I think, on some of the specifics we
25 would have liked to today. Some of it, I think, on

our end might have been a little ambitious to try to cover today, some it. Hopefully next time we have some additional info on some of the questions that we ask. It's clear that we'll probably have to do a series of hearings to get to some of the information that we want. I am concerned from what I heard with the AMI's. It sounded like so far we had 12 percent of the very low, and it sounded like a target is only 20 percent of the very low, which I think is lower than the Bloomberg goal and lower than, definitely lower than what Koch had done. So I have concerns about that and some other things as well. We'll probably do, as I mentioned, some series of hearings, but for now I do want to say thank you for you and your entire team. Sorry?

COMMISSIONER BEEN: Okay, but let me just say.

CHAIRPERSON WILLIAMS: Sure.

COMMISSIONER BEEN: That's on the basis of these first 10,000, and we know, you know, we are fully committed to, yeah.

CHAIRPERSON WILLIAMS: Twelve percent. I think I'm concerned about the 20 percent goal might be a little low also. It's because 20 percent of

2 very low, like 20 percent or 50 percent or lower.

3 It's 20--you're aiming for 20 percent--

4 COMMISSIONER BEEN: [interposing] Right,
5 it's eight percent at 30 or below and another 12
6 percent at 30 to 50.

7 CHAIRPERSON WILLIAMS: Gotcha. So,
8 hopefully someone from HPD and NYCHA and DCP will
9 stay or some people from the Administration to hear
10 us.

11 COMMISSIONER BEEN: Yes. I apologize
12 that I do have to leave now.

13 CHAIRPERSON WILLIAMS: No problem. Thank
14 you very much for your testimony today.

15 COMMISSIONER BEEN: Thank you.

16 CHAIRPERSON WILLIAMS: We are going to
17 have about ten minute break right now, and then when
18 we come back we'll begin the other panels. First up
19 will be Robert Tolbert, Vocal New York, Leandra
20 Requena, Make the Road New York, Kamilla Sjödin from
21 NYLAG, and the clock will be set for two minutes each
22 for testimony, and we'll stand in recess. Leandra
23 Requena, Kamilla Sjödin--I'm sorry, I just messed
24 that up--from NYLAG. Apologies. And right after
25 this panel will be Moses Fortez [sp?] from ANHD

[sic], Ed Josephson of Legal Services, and Alexandra Hanson from NYSAFAH. So, one person is not there. So we have Leandra Requena not here? So we have a two minute clock. I actually do affirmation for everyone. So please raise your right hand. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before the committee and to respond honestly to Council Member questions? Thank you. You both have two minutes each to start, and you can start when you're ready.

ROBERT TOLBERT: Thank you very much, Mr. Chair. My name is Robert Tolbert. I'm a Board Member from Vocal New York, and on behalf of my Board and our membership we thank the committees for allowing us to testify today. You already know that we like to keep boots on the ground, so I'll cut right to the chase and get to the issue. Vocal is deeply concerned about the skyrocketing rates of homelessness in New York City, and any plan that calls itself affordable needs to do something about this and make it a cornerstone of their plan. The tale of two cities that we're currently experiencing is becoming more apparent, and unfortunately there is little that this plan seems to do to unify us as a

city of compassion. So, we--according to the National Low Income Housing Coalition, the average New Yorkers earning minimum wage need to hold 3.1 jobs in order to be able to afford a two bedroom apartment. We need an affordable housing plan that alleviates this burden, and with those two facts being said, we'd like to offer some recommendations, some of which have been addressed during the earlier testimony but are some also include something more specific. First of all, we would like this plan to be as good as Mayor Koch's plan to dedicate 10 percent of the housing units constructed to homeless individuals and families and to create a reserve fund that serves as a safety net for excessively rent burdened tenants. Also, to expand the enhanced rental assistance benefit currently available to New Yorkers living with AIDS. This will reduce the nightly shelter's consensus by a thousand people every night and will provide enough rental assistance for 10,000 New Yorkers to actually be able to afford rent in an apartment. Resume priority referrals to at least 2,500 homeless households per year to the NYCHA public housing waiting list. Finally, I'd just like to say this in closing, the housing plan has to

2 be a partnership between the Administration,
3 community activists and the building trades to ensure
4 quality constructive careers for New York City
5 residents. Jobs created by this plan should pay
6 family supporting wages, provide quality healthcare,
7 retirement benefits and adequate safety training.
8 The plan is a good starter, but we all know it has a
9 long way to go before we can say that New York City
10 is making an investment in affordable housing. Thank
11 you.

12 [applause]

13 CHAIRPERSON WILLIAMS: No, no applause,
14 please.

15 KAMILLA SJÖDIN: Chairs Torres, Arroyo
16 and Greenfield, Council Members, staff, good
17 afternoon and thank you very much for the opportunity
18 to testify today about the Mayor's Housing Plan. My
19 name is Kamilla Sjödin, and I'm an Associate Director
20 at the New York Legal Assistance Group, a nonprofit
21 law office dedicated to providing free legal services
22 in civil law matters to low income New Yorkers. We
23 are testifying today because we would like to commend
24 both the Administration and the Council's recognition
25 that New York has a current housing crisis. The

Mayor's Housing Plan is thorough and recognizes the acute housing problems faced by New Yorkers as well as the fact that there's no one solution and that a multi-faceted approach is a key. As a free legal services organization we serve New York's poor and see every day how our most vulnerable clients are evicted and displaced, often times having no place to go. Our work includes representing tenants citywide as well as in Long Island and Westchester. We have specialized projects including but not limited to working with Sandy victims, veterans, terminally ill, the elderly, the LGBTQ population, domestic violence survivors and people with minor children in the home. As such, our testimony's offered from the perspective that preservation of affordable housing is an absolute key to keeping people housed. We see daily what happens when the Marshals comes and locks the tenants out. We see mothers with small children with no longer having access to their children's formula or diapers, children who don't have a change of clothes to go to school, sick people who don't have access to their medication all because they were locked out. We have even seen a Marshal lock out of a paraplegic. When the Marshal comes, a tenant only

has a few minutes to grab what they can before they are physically removed and locks are changed. The process is humiliating and unnecessary and happens thousands of times each year. In international human rights law, the right to housing is regarded as a free-standing right. Article 25 of the United Nations Universal Declaration of Human Rights declared in 1948 everyone has the right to standard of living adequate for the health and wellbeing of his family, including food, clothing, housing and medical care and necessary social services. This was later re-enforced in 1991 as well. Given these authoritative interpretations spanning decades of the right to housing in legal terms under international law, it's NYLAG's contention that the housing crisis in New York City is a human rights crisis. I will skip the rest of my testimony and just suggest as such we ask the government, city, state and federal to recognize housing as a human right. We also hope that all--we commend the Mayor's plan for increasing funding legal services, though we hope that this will be codified. We believe in the right to counsel in Housing Court. We also would suggest that all the governing bodies work outside of the norms that we

2 feel like we're restricted by today and maybe even
3 consider staying evictions or having partial
4 moratoriums until this can be worked out because this
5 is a true crisis where we're running out of time.
6 Neighborhoods are changing daily. Thank you very
7 much.

8 CHAIRPERSON WILLIAMS: Thank you.
9 Anybody have any questions?

10 COUNCIL MEMBER GREENFIELD: Thank you
11 both, we appreciate your testimony and your advocacy
12 as well.

13 KAMILLA SJÖDIN: Great. Thank you very
14 much.

15 CHAIRPERSON WILLIAMS: Next we'd like to
16 call up Ed Josephson, Alexandra Hanson, Patrick
17 Markee, Coalition for the Homeless, Rajiv Jaswa,
18 Urban Justice Center. I know Patrick Markee stepped
19 out. Is John Murphy present? Can you all raise your
20 right hand, please? Do you affirm to tell the truth,
21 the whole truth and nothing but the truth in your
22 testimony before this committee and to respond
23 honestly to Council Member questions? You begin any
24 time.

2 CHAIRPERSON GREENFIELD: I don't think
3 your microphone is on. Just make sure the little red
4 dot is--

5 ALEXANDRA HANSON: There we go.

6 CHAIRPERSON GREENFIELD: There you go.

7 ALEXANDRA HANSON: Thank you. Again,
8 good morning. My name is Alexandra Hanson, and I'm
9 here on behalf of the New York State Association for
10 Affordable Housing, or NYSAFAH, the trade association
11 for New York's affordable housing industry statewide.
12 I would like to thank Chair Williams, Chair
13 Greenfield, Chair Arroyo and the members of the
14 committees for the opportunity to testify today on
15 the New York, or the Housing New York Plan. NYSAFAH
16 is the trade association for New York's affordable
17 housing industry statewide and our 350 members
18 include for profit and nonprofit developers, lenders,
19 investors, attorneys, architects and others active in
20 the financing, construction and operation of
21 affordable housing. NYSAFAH commends both the de
22 Blasio Administration and the Council's attention to
23 the critically important issue of affordable housing.
24 The Housing New York Plan is an ambitious vision for
25 affordable housing in New York City that seeks to

1 address the city's current housing crisis. Since the
2 plan's announcement in May, HPD and HDC have been
3 working tirelessly to implement this new vision and
4 they continue to close deals and get shovels in the
5 ground while also undertaking the major tasks of
6 implementing new programs and streamlining existing
7 processes. Implementing a plan of this scale takes
8 time, 10 years to recognize the full scope, and
9 NYSAFAH commends the work that has been done thus
10 far. In the interest of time I'm just going to
11 highlight a few of the things that are in our
12 testimony in brief and you can read it in full later.
13 But those happen to be mixed income development to
14 serve a range of incomes that facilitate financial
15 sustainability of buildings. Eliminating parking
16 requirements for affordable housing, especially in
17 transit accessible areas. This is generally a major
18 financial drag on affordable units that often goes
19 unused by the residents. Facilitating senior housing
20 through changes to the zoning resolution to increase
21 senior housing production, and facilitating off-
22 budget affordable housing whenever possible to use
23 the city's resources as efficiently as possible. So,
24 we look forward to working with the de Blasio

2 Administration and the Council to serve New York's
3 communities through the production, preservation of
4 affordable housing, and thank you very much for the
5 opportunity to testify today.

6 CHAIRPERSON GREENFIELD: We'll do right
7 to left, please. Thank you.

8 RAJIV JASWA: Hi, good afternoon. My
9 name is Rajiv Jaswa and I'm a Staff Attorney at the
10 Safety Net Project of the Urban Justice Center.
11 Thank you to City Council for this opportunity to
12 testify on the Mayor's Affordable Housing Plan. My
13 testimony was co-written with Thomas Rachko, our
14 Public Service Scholar from Hunter College. The
15 Safety Net Project is New York City's advocate for
16 economic justice combining direct legal services,
17 affirmative litigation, research and policy making to
18 achieve economic justice for all New Yorkers. Our
19 litigation unit specifically focuses on meeting the
20 needs of NYCHA residents and so that's the nature of
21 our interest in the Mayor's plan. We appreciate it's
22 strong emphasis on preserving the city's existing
23 stock of affordable housing, because NYCHA owned
24 buildings are in many ways affordable housing par
25 excellence, 178,557 apartments representing billions

of tax payer dollars that are already spent to create permanent housing, truly affordable for even the lowest income New York residents. The recent fate of much of this country's public housing stock has been demolition from Pruitt Ego [sic] in St. Louis to the towers of Cabrini Green in Chicago, but NYCHA's 334 developments still stand as a defiant exception thanks to collective efforts to preserve public housing in this city. The Mayor's plan looks at four income bans with very low income households at the bottom and about 80 percent of NYCHA residents fall into this income band. For many such residents, public housing is truly a tenancy of last resort and the only viable alternative to the shelter system, and therefore preserving the quality of NYCHA's public housing stock must be considered an absolute priority moving forward to address the city's affordable housing crisis. We'll be submitting written testimony with concrete recommendations. I'm just going to run through them really quickly.

First, we believe that HPD's code enforcement services should include NYCHA residents who currently can't use the 311 system. We think mold should be added to the housing maintenance code, and that the

Fresh Incentives Program should include affordability criteria, not just criteria laid to store size and inventory. Thank you.

CHAIRPERSON GREENFIELD: Thank you.

CARL JOHNSON: Good afternoon. My name is Carl Johnson. Unfortunately, John Murphy was called away on business. I'm reading this testimony on his behalf. Again, I'm Carl Johnson, I'm the organizer for Plumbers Local Union Number One, the plumbers of New York City. Next month, our union will be selling [sic] our 125th anniversary of working, serving and protecting the health of the city of New York. We are especially proud of our history and the role our union has played in building and expanding New York's amazing skyline. Through our union's apprentice and trading programs, our members have been able to develop the knowledge and skills to keep pace with new technologies and techniques to ensure both safety and the quality of our work, that our members and other tradesmen were paid union wages played an equally important role in the growth of our city. Union wages and benefits provide not only hope, but the confidence for workers to build strong families and communities. Union

wages help build to spur our growth, which led to the creations of neighborhoods throughout the five boroughs. For our members and thousands of other union and men and women and their families, it led to the fulfilment of the American dream, the chance to own a home to protect their family's health and one day retire with dignity. Today, however, that dream is moving out of reach for most working families, and the ever real estate market has been driving families away from their neighborhoods. For more than 20 years now, we've seen this pattern repeat itself again and again. Yes, we need to create affordable housing. The creation or restoration of some 200,000 affordable units over the next 10 years is ambitious, but history has taught us that if we work together it can be done. Just last week with the approval of the Astoria Cove development we may have put ourselves on a path to writing a new chapter in that great history. Working together, the developers, the unions, community leaders and elected officials reached an agreement that may finally put to rest the myth that we cannot create affordable housing with union labor.

2 CHAIRPERSON GREENFIELD: Sir, we're going
3 to need to wrap up, please. Thank you.

4 CARL JOHNSON: Absolutely. So I
5 congratulate the members of this council, and what I
6 would like to say in closing is very simple. I urge
7 the members of this council to insist on the
8 inclusion of the building trades in this affordable
9 housing initiative. Again, the men and women who
10 build affordable housing should not need to live in
11 affordable housing.

12 CHAIRPERSON GREENFIELD: Thank you. I
13 just want to respond to one thing that Alex, I think
14 it was, that you said specifically regarding waving
15 parking requirements. I think we certainly would
16 like to take a look at project by project and
17 location by location whether or not parking exists,
18 but simply waving all parking requirements in the
19 city in affordable housing is not something we'd be
20 supportive of. So just FYI. Thank you very much.
21 With that we're going to ask our next panel to come
22 up, Maritza Silva-Farrell, Humberto Restrepo, Elliot
23 Hecht, and Amanda Jensen. You can please raise your
24 right hand. Do you affirm to tell the truth, the
25 whole truth and nothing but the truth in your

testimony before this committee and to respond
honestly to Council Member questions?

UNIDENTIFIED: I do.

CHAIRPERSON GREENFIELD: Thank you.
We're going to start with the right. Thank you. My
right. Ladies first, thank you.

MARITZA SILVA-FARRELL: Thank you. Well,
good afternoon. My name is Maritza Silva-Farrell. I
am testifying today on behalf of the Real
Affordability for All Coalition, FAFA. This is
largest affordable housing coalition in the city.
It's comprised of more than 50 organizations, housing
organizations and labor unions across the city. I
would like to thank you, thank the committee for the
opportunity to testify this morning, or this
afternoon rather, on this issue that has been and
will continue to be a crisis for this city. The Real
Affordability for All Coalition is fighting to
strengthen the city's housing strategies that will
make a market impact in five key policy areas, new
development, preservation of existing affordable
housing stock, housing homeless and preventing
homelessness, public housing and good jobs through
affordable housing. We talked about some of those

issues this morning, so I'm not going to go into the details of my testimony, but I will just highlight the most important things here. There are aspects of the Mayor de Blasio plan that are encouraging, for example, his commitment to build or preserve 200,000 homes will offering deeper affordability than his predecessor. More must be done to protect the lowest income New Yorkers. We believe that the way to do this is by creating good jobs that new developments can provide good paying jobs. Larger scale high density housing is a specialty of a building and construction trades, and these construction jobs can create real career opportunities for underserved New Yorkers. So this should be highlighted in every single development across the city. Unfortunately, the city's attempts to address the housing crisis in the first 10 months of 2014 have proven to be inadequate. There is not enough--there has not been enough affordable housing units. We believe that 50 percent of affordable housing is what we should be aiming for, and because of in the interest of time I will just say then when we talk about NYCHA, it's very important to think about how can we use the vacant spaces there to allow homeless families to

live in these communities. It's really important to make sure that that's addressed, and the full testimony, you have it in your hand, so if there is any questions, we can answer. Thanks.

ELLIOT HECHT: Good afternoon Chairs Williams, Arroyo and Greenfield. My name is Elliot Hecht, I'm a business representative of Local Union Number Three of the International Brotherhood of Electrical Workers. Local Three is a 28,000 member local union in our city. I'm here this morning to voice support for Mayor de Blasio's Affordable Housing Plan. The creation of 200,000 affordable housing units of which 80,000 will be new construction over the next 10 years is a bold plan that if executed correctly would not only alleviate the city's housing crisis, but would also ensure workers who build these units have better standards and working conditions. Moving forward, this would help serve the needs of all New Yorkers. This effort will create needed construction jobs and business opportunities. Elected officials of New York City for some years now have made excellent decisions to help improve the quality of life for its residents. New York City is a world class city, the greatest

city in the world, and yet, we fall short in the demand for affordable housing. We, members of Local Three of the IBW are proud of our contributions to our city. We have been part of every notable building construction project in the city. Affordable housing is and continues to be one of those very important aspects in the building of our great city. Local Three provides an excellent training program for our members. That training program continues throughout their career. We welcome the opportunity to contribute our talents, our skills and respect for this bold initiative. It will give us the opportunities to provide members of the community with opportunities to develop training skills that will lead to good paying careers. The tale of two cities should not include the construction of affordable housing in one of its chapters. These construction jobs established for the creation of affordable housing need to have access to training and decent wages and benefits, therefore, lift up, not tear down the standards of living for those who continue building and serving our city. I thank you for this opportunity to express our ideas

with regard to Mayor de Blasio's plan for creating affordable housing in our city. Thank you.

HUMBERTO RESTREPO: Good afternoon, Chairs Williams, Carmen Arroyo and Greenfield and distinguished community members. Thank you for the opportunity to testify at this hearing on behalf of the Joint Industry Board of the Electrical Industry, and my name is Humberto Restrepo. The Joint Industry Board is a labor management organization founded in 1943. The union partner is Local Three of the IBW. The management partners are the New York Chapter of the National Electrical Contractor Association and the Association for Electrical Contractors. The JAB is the ARISA [sic] administrator for family of multiemployer benefit plan serving Local Union Number Three and its affiliated contractors in the Greater New York City Area. We, in the electrical industry, applaud Mayor de Blasio's affordable housing plan to build or preserve 200,000 affordable housing units in New York City over the next 10 years. It is certainly a laudable goal given the grown economic inequality across the nation. New York City has always been a leading trendsetter in how it responds to important social issues. The Administration has

embarked on addressing the serious affordable housing shortage that plagues many of the neediest communities in the city. In addition to a system with much needed housing, the building and preservation of affordable housing stimulates vital economic activity and job opportunities. The Mayor's Affordable Housing Plan will lead to the creation of thousands of construction and permanent maintenance jobs. Our management partners of JAB are willing, able and ready to provide our technical expertise and skilled workforce. We look forward to playing an active role in the affordable housing market, not only in the actual construction, but in providing members of these communities with the opportunity to develop training skills that lead to good paying careers. We are proud of our industry's contribution to shaping the landscape of our great city. We stand ready to serve the needs of the thousands of New York City residents that are in dire need of safe and affordable housing. Thank you and your committee for the opportunity to convey our thoughts on the Mayor's Affordable Housing Plan.

2 CHAIRPERSON WILLIAMS: Wait, we actually
3 have a few questions. I'll go first to Chairperson
4 Arroyo.

5 CHAIRPERSON ARROYO: Okay. I hoped you
6 were in the room earlier when we had the Commissioner
7 and the Chairman--

8 HUMBERTO RESTREPO: [interposing] Yes,
9 swish [sic] and swish she was saying before.

10 CHAIRPERSON ARROYO: Squishy.

11 HUMBERTO RESTREPO: Squishy.

12 CHAIRPERSON ARROYO: Sounds messy, right?
13 The question I pose regarding the discussion that is
14 long overdue about labor and the Administration and
15 HPD and all the city agencies having a conversation
16 about affordable housing and union wages, and have
17 you been part of that conversation at all? And I
18 guess this question goes to Local Three, because you
19 don't represent a union, right, here?

20 ELLIOT HECHT: I know there's been some
21 discussion--

22 CHAIRPERSON ARROYO: [interposing] Can
23 you pull the mic close to you?

24 ELLIOT HECHT: I know there's been some
25 discussions between the Building Construction Trade

Council, which we are affiliated with, and the city in regards to that, but I'm not aware of where those talks have come and where they are.

CHAIRPERSON ARROYO: So as we advance that conversation and we know we have to engage in that discussion, one of the things that we always confront is that I represent a community where it's predominantly a community of color, how many members are members of color in Local Three or in the industry?

ELLIOT HECHT: I don't have those exact number, but if you came to our union meetings you would see it. Our apprenticeship program is very diverse program. In the city of New York we have many members of different minority groups. It's a changing landscape than it was, you know, 30, 40, 50 years ago.

CHAIRPERSON ARROYO: Well, those numbers would be helpful, and if at all possible if we can receive a report in percentage of, you know, how-- what is the membership breakdown is. What is the membership breakdown? Because as we engage in a conversation in supporting programs, we also want to make sure that there's opportunity for all New

2 Yorkers and not somebody's cousin and brother and
3 uncle who live in somewhere else in Westchester
4 County.

5 ELLIOT HECHT: Very well. You'll have--

6 CHAIRPERSON ARROYO: Point taken?

7 ELLIOT HECHT: Yes.

8 CHAIRPERSON ARROYO: Okay, thank you.

9 CHAIRPERSON WILLIAMS: I have a few
10 questions, actually similar question to the industry.
11 I don't know if you know the makeup of your members
12 and their members, what the breakdown is for
13 ethnicity and race.

14 ELLIOT HECHT: I think that was the
15 question that we were just--

16 CHAIRPERSON ARROYO: We just--

17 HUMBERTO RESTREPO: [interposing] We don't
18 have those numbers here.

19 CHAIRPERSON ARROYO: We're going to keep
20 it--

21 HUMBERTO RESTREPO: [interposing] You
22 know--

23 CHAIRPERSON ARROYO: [interposing] The
24 Industry, let me just clarify. The Joint Industry
25 Board of Electrical Industry.

2 HUMBERTO RESTREPO: Yes.

3 CHAIRPERSON ARROYO: You're not a union.

4 HUMBERTO RESTREPO: We are the labor
5 management organization that's comprised of Local
6 Three, IBW and our contractors.

7 CHAIRPERSON ARROYO: Okay, so the
8 question applies to you too. Okay.

9 HUMBERTO RESTREPO: Those numbers that
10 you're asking for, we don't have them with us, but I
11 can tell you that our apprenticeship program, if you
12 go to our union meetings, more than 50 percent,
13 closer to 60 percent of the current apprentices are
14 of color.

15 CHAIRPERSON WILLIAMS: Alright. I would
16 like the committee to follow up actually to see if we
17 can get some of those numbers. And I'll just
18 mentioned, I am concerned. I am always in favor of
19 getting as many of the jobs we can to be union. I
20 don't know if they all will be, but I'm even more
21 concerned that black and brown people have an
22 opportunity. Historically, the unions haven't
23 provided that, and so I want to make sure that they
24 are providing that, and I have heard some issues with
25 the apprenticeships actually them turning into the

jobs that we want to see happen. So this is a very fundamental question that needs to happen as we're going through with this plan to make sure that everybody partakes in the building and preserving of these affordable units. So, if you can get those numbers.

HUMBERTO RESTREPO: And I couldn't agree with you more. I'm an immigrant from Columbia, and I'm very proud of the rich history that Local Three in particular has had in promoting people of color, like I just said. Closer to 60 percent of the current apprentices in Local Three are of color.

CHAIRPERSON WILLIAMS: Thank you.

MARITZA SILVA-FARRELL: Can I actually say the Real Affordability for All Coalition, as you may hear, we've been working together with the Building Construction Trades to make sure that things like local hire is important in each community where we see developments coming up. So, because to address those issues, right? And so I don't also have the numbers, but we are working in collaboration, and also this is historical, too, because you see the housing movement and the building trades and construction workers working together. So

2 I want to put that in record as well, because we are
3 moving in the right direction in terms of our
4 organizing here.

5 CHAIRPERSON WILLIAMS: Sure, and I've had
6 lots of hope on basing the work that RAFA's doing
7 with the building trades. Also, I want to make sure
8 that, you know, the new--all the black and brown jobs
9 that may come on board are not only the lowest paid
10 that are going to come on board because we're
11 building affordable housing. So that is important as
12 well. Finally, we'll have the union jobs open up to
13 the black and brown, but then they may get the lowest
14 pay because we're building affordable housing. So we
15 have to make sure that track stays on so that
16 everybody, again, is getting some of the good jobs
17 and the good union jobs as well. RAFA, I did have a
18 question. I know we've been pushing a lot the 50/50
19 model. If you could just take a moment to describe
20 how that is--how that compares to the 50/30/20 model
21 that was spoken about earlier.

22 MARITZA SILVA-FARRELL: Well, we have
23 sent out actually a memo with information on how the
24 50/50 model will work. In the past--I don't think I
25 have the whole information here with me. But what is

important for us is that when there's a new development, there are area of median incomes that are reflective from the community, right? So we think about like for example, Astoria Cove, that is a--we don't feel like that specific development really reflects the needs of the community when you talk about like 60 percent--starting at 60 percent of AMI being the lowest. It doesn't really reflect the community. So we want to make sure that the breakdown really covers like the 50 percent of whatever you can build, it reflects the community. We're talking about 30 percent and up perhaps in some communities, and every development will be different, but we want to makes sure that the AMI's in particular are addressed as we're looking in percentages as well. So the percentage of affordability is important. We want to make sure that that is part of it, but the income levels is even more important. And I'm happy to send that to you, the memo with the recommendations and the breakdown just in terms of time, you know, would probably be helpful. I'll make sure that Nick [sic] gets the memo with the specifics.

2 CHAIRPERSON WILLIAMS: Did you--were you
3 able to listen and did you--do you know the 50/30/20
4 model that they were talking about, which is
5 primarily for the HDC low interest loans, was that
6 something that you felt was comparable to the 50/50
7 that you're pushing?

8 MARITZA SILVA-FARRELL: Well, we don't--
9 what they were explaining I don't believe it is
10 comparable because they--I don't know really. They
11 don't have the specific numbers it seems, so we'll
12 have to look at the numbers and really make a
13 comparison as like really what would be applicable in
14 which communities, but obviously this is something
15 that can be looked into that deeply--I'm not a policy
16 person, so but I can just tell you that as a
17 standard, doesn't seem to be the case.

18 CHAIRPERSON WILLIAMS: And lastly, just
19 from RAFA's perspective. So obviously I think most
20 of us agree that is each project is going to be
21 different depending where we are. So, is it--do you
22 think that that model needs to be applied to each
23 project, or is it going to be flexible depending
24 where we are trying to build the housing?
25

2 MARITZA SILVA-FARRELL: Well, generally,
3 what we believe is that there are development that
4 are benefitting from subsidies from the city. Those
5 developments should be at least doing 50 percent, and
6 we believe that that's the right model, but like I
7 said before, the depth of affordability is where we
8 also care about. For example, in East New York we do
9 want to make sure that there is a number of density.
10 So that's a community that we want to make sure that
11 it addresses this and specifically creates a model, a
12 50/50 model. In Astoria Cove, it could have been
13 possible as well, but as we know that didn't happen.
14 But generally, that's the model that we see for all
15 developments.

16 CHAIRPERSON WILLIAMS: Was RAFA or anyone
17 from RAFA contacted about the Board that HPD put
18 together and spoke about earlier?

19 MARITZA SILVA-FARRELL: I will have to
20 consult with the rest of the coalition. I am
21 personally not aware of it, but I can just get back
22 to you on that question.

23 CHAIRPERSON WILLIAMS: Okay, thank you.
24 Thank you all for your testimony. Next we have
25 Matthew Dunbar, Habitat for Humanity, Patrick Parcell

[sp?], Devon Lemarks [sp?] DC Nine Painters and Allied Trades, Moses Fortez [sp?]-I probably pronounced it wrong, I apologize Moses--ANHD.

CHAIRPERSON GREENFIELD: If the individual slated to testify is no longer here and someone wants to testify in their stead, we would welcome that. Just please let us know.

CHAIRPERSON WILLIAMS: Okay. Alright. Okay, so we have Matthew, Devon, Moses and Mike, and Pat Parcell is not here. Alright. Please raise your right hand? Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to Council Member questions? Thank you. You can begin.

MATTHEW DUNBAR: Good afternoon. My name's Matthew Dunbar. I'm the VP of Government Relations and Advocacy for Habitat for Humanity, New York City, and I'm going to summarize my testimony as I'm visually impaired. I'd first like to thank the Chairs Williams, Arroyo and Greenfield for allowing us to testify this afternoon on such an important issue, and I do want to start by commending the Administration for the ambitious plan and for

actually putting forward a program, the NIHOP program to actually provide funding and support for homeownership opportunities in the City. It's been a while since the city has had a program of that nature, and so we want to commend the city for that, but we also want to voice our concern, because if this program is focused at one to four family units as an in-fill program, it will limit the opportunities for homeownership developers to be able to apply for say RFP's for larger buildings and organizations like ours do want to participate and help build some of those 60 and 90 unit buildings in some of the communities that articulated the fact that they want homeownership in their communities here today, and we're excited to hear that as a priority for many of the Council Members. Habitat for Humanity New York City actually serves low income families between 50 and 80 percent AMI. We have a two percent fixed interest rate homeownership product with a one percent down payment, and it is in partnership with SONYMA, the State of New York Mortgage Agency, and we've actually served over 380 families under 80 percent AMI, and we look to continue to do that and expand that program, but

under the NIHOP program it is potential that the subsidies, the capital dollars for both capital and Reso A would be limited to 50,000 dollars per unit, which would actually be less than what we would have been able to achieve through just Reso A funds in the past. So we want to make sure that the funds available help Habitat and other homeownership developers be able to serve low income families and moderate income families in the way that is necessary. We also want to see funds and land accessible to low income housing developers. So we put forward that a dedicated housing trust fund needs to be created with all the revenue streams that have been talked about so far that would serve 50 percent below AMI as well as homeownership opportunities above 50 percent and to explore community land trusts as an option to preserve homeownership moving forward. I'd be happy to answer any questions on any of those issues.

CHAIRPERSON WILLIAMS: You can go.

MOSES GATES: Hi, thank you Council Member Arroyo, Council Member Greenfield, Council Member Williams. My name is Moses Gates. I'm from the Association for Neighborhood Housing Development.

We represent 98 neighborhood based affordable housing organizations throughout the five boroughs. And I wanted to raise a couple of additional points. And I was here for the good first three and half hours of the testimony, and then I had a two o'clock appointment, so if I missed some of Commissioner Been talking about this, I apologize. But our two big concerns are on neighborhood partnerships and 421A, and neighborhood partnerships are important. And we are extremely excited that the Administration is taking a neighborhood focus, and we're excited that they've created a division of neighborhood strategies and are committed to engaging with communities on the planning and visioning process. To be clear, we need our neighborhood partnerships to be in all aspects of the development in the affordable housing development process, and that includes the ownership, development and stewarding of our affordable housing resources and our land resources. And just to give a quick example, there's currently three outstanding large scale RFP's for city owned land for one dollar that the Administration has out. In each of those three instances, a strong well-respected community based developer with decades of experience developing

2 affordable housing for the community with explicit
3 support from the local city council person in each of
4 these cases has applied to be the developer of this
5 city owned asset to keep it affordable permanently,
6 to develop it in the community interest. These
7 should be absolute slam dunks for the Administration
8 in terms of land dispositions. One of these sites,
9 Green Point Hospital has been abandoned since 1982,
10 has a comprehensive development plan in place. A
11 well-respected community developer could yield about
12 240 units of affordable housing within a few years if
13 the city lets it get going, and the city has still
14 not committed to this. So, I'd ask City Council how
15 the Administration is going to partner with you not
16 only in the community visioning process--

17 CHAIRPERSON WILLIAMS: [interposing] I
18 have to ask you to wrap up.

19 MOSES GATES: Right, but with the Council
20 and with communities on the ownership development and
21 stewarding process as well.

22 MIKE MCGUIRE: Good afternoon, Mike
23 McGuire, Mason Tenders' District Council Laborers. I
24 don't have any prepared testimony, but I would like
25 to touch on a few things. This example that this

gentleman just touched on it's a great example of why the City Council needs more oversight of HPD, because we run into situations like in this in the past where good community organization, it's like he said, it should be a slam dunk, and often times it is, and then HPD will mandate which contractor the community developer has to use and its often a crooked contractor. So, there has to be some oversight of that. I had stepped also. I came back in. I heard your comments just as I was coming back in with RAFA and the lower construction rate. I mean, I think we have a great opportunity here with this, because what we're talking about is populating a brand new level of building construction trades like wide open, and I can't speak for the other trades, but I believe they're all pretty much in the same place with the laborers. We have a system in place for this when and if this does happen, that there is a pathway from the affordable housing which would be a package of about 40 dollars an hour to the high rise construction guys which is about 64 dollars an hour. Now, at this point in time, that's Local 79. At this point in time Local 79 is about two-thirds black and brown. Our apprenticeship program is 85 percent

women or people of color. So we're already hitting numbers better than virtually anybody else, but we still want to see that happen. The only concern is with HPD, you know, we're trying to figure out the numbers with them, but as we saw in that article in the Daily News yesterday, you have all these crooked contractors. There's no disincentive for them not to cheat. If they get caught cheating, then they get put on enhanced review, and they only have to pay what they should have paid in the first place. As long as we're trying to negotiate a number with HPD and that is in the background, there's no way we can ever negotiate a number that will be acceptable because, you know, we're talking around 60 percent of the high rise rate, and what we're finding is best case scenario, they're paying about 17 percent or 83 percent reduction of various standard wages. So, until they curtail the criminal activity, we're not going to get there.

CHAIRPERSON WILLIAMS: Thank you. I know we had a couple questions. Chair Greenfield--

CHAIRPERSON GREENFIELD: [interposing]
Thank you, Mr. Chairman, and thank you all for coming out and sticking around. We appreciate it. The first

1 thing you should know is that to their credit, we
2 have representatives here from HPD, City Planning and
3 NYCHA, so they all are taking this feedback. We even
4 have a spy from the Mayor's Office here as well, so
5 as not to blow her identity we will not name her.
6 But I did want to follow up on a couple of issues.
7 So, as far as the community developers, you're saying
8 that currently there's no preference given to a
9 community developer, they don't score higher in any
10 way, shape or form as far as you know?

12 MOSES GATES: That's correct. There is
13 no dedicated pipeline and there is no additional
14 preference.

15 CHAIRPERSON GREENFIELD: Got it. Okay,
16 so certainly we want to follow up on that issue. And
17 then I just wanted to speak, 421A--

18 MOSES GATES: Yes.

19 CHAIRPERSON GREENFIELD: You want to
20 expand a little bit about some of the things you guys
21 would like to see when that comes up for renewal, but
22 concisely, please.

23 MOSES GATES: I will take 30 seconds.

24 CHAIRPERSON GREENFIELD: Yes.

2 MOSES GATES: 421A is an enormous
3 opportunity to provide very low and low income
4 housing, because the market rate housing is able to
5 cross-subsidize those lower rent very efficiently. If
6 you can put very low low income housing into cross-
7 subsidized buildings, financial operationally it
8 works out. So lowering the AMI's on 421A is actually
9 a minimal hit to the developer and gives us a chance
10 to really get those 30/40/50 percent AMI numbers up
11 like the Administration likes. So that's the biggest
12 reform we're going to be looking for.

13 CHAIRPERSON GREENFIELD: Ditto.

14 MOSES GATES: Alright.

15 CHAIRPERSON GREENFIELD: That for you as
16 well? Thank you. Did you guys want to weigh in on
17 that as well?

18 MIKE MCGUIRE: Well, we--our position on
19 421A is--it's a interesting thing. It's a double-
20 edged sword, because what we saw when we redrew the
21 maps last time is we saw rapid development in a lot
22 of areas that really--I mean, the concept is try to
23 boost development, but there was a lot of market-rate
24 development, and it kind of squeezed a lot of the
25 availability for affordable, so it's something that

we have to keep an eye on. But the other part of it too, is we consider 421A a massive subsidy, and if it's going to be given to a developer who's building market-rate, not affordable, you know, but market-rate housing, then prevailing wages should attach because they're taking a city subsidy and really not giving anything back to the city.

MATTHEW DUNBAR: Yeah, and Habitat in the past has actually been an advocate for the expansion of the inclusion zones as well, and we'd also like, you know, as was mentioned previously, the looking at certificate programs and various types of payment in lieu's. That is actually one of the potential opportunities if the city does decide to go in that direction. We would want to advocate that any funds that would stem from payments in lieu or certificate programs would actually go into a housing trust fund to help really help kind of cross-subsidize and really be able to dig down to serve some of the lower income targets within the program.

CHAIRPERSON GREENFIELD: Great. Thank you, folks.

CHAIRPERSON ARROYO: I'm going to go back to the union and the discussions. Are you aware of,

have you participated Mike, in any discussions with the city agency, Mayor's Office around the conversation of affordable housing and union wages?

MIKE MCGUIRE: I personally participated and several people in the room participated in a large round table discussion in the Mayor's Office a few weeks ago. There are ongoing discussions between Gary LeBarber [sp?] and the building trades and HPD to try to come to a number that works for everybody.

CHAIRPERSON ARROYO: And it--we've been complaining or we've been hearing the complaints from the labor side around the need for wages to be dealt with more constructively, but do you have or do your colleagues have a list of best actors in the industry who can serve as a model developer for engaging in a very productive conversation, a developer that understands the approach and the goal of this conversation and is willing to participate and serve as a model?

MIKE MCGUIRE: I think we could probably develop such a list. I mean, right now the unionized developers and contractors really don't participate because they just can't compete against, you know,

2 when you're paying eight or ten dollars an hour, they
3 can't compete in the arena.

4 CHAIRPERSON ARROYO: No, no, I mean from
5 the affordable housing--

6 MIKE MCGUIRE: [interposing] From the
7 affordable housing side--

8 CHAIRPERSON ARROYO: side.

9 MIKE MCGUIRE: the only person I can site
10 is a non-union contractor who we have had good
11 experiences with is a gentleman named Nick Lembo,
12 Manodnock [sp?] Construction. For a number of years,
13 Nick was able to build union and build affordable
14 housing union and pay the union rate and still make a
15 healthy profit. My understanding is the reason he
16 stopped building union was he got pressured by HPD
17 that he was doing too much union work, so.

18 CHAIRPERSON ARROYO: HPD's here taking
19 notes.

20 MIKE MCGUIRE: Alright, that's fine. I
21 mean, this is my--

22 CHAIRPERSON ARROYO: [interposing] No,
23 no, I'm--

24 MIKE MCGUIRE: understanding. If I'm
25 wrong I'm wrong.

2 CHAIRPERSON ARROYO: I'm looking at the
 3 guy with the nice tie. It's important in this
 4 conversation to be a little bit proactive, and if
 5 there are developers who are in a position to serve
 6 as a great model and engage in that conversation more
 7 proactively and move it forward quicker, I think that
 8 that's something that you all should engage in,
 9 identifying those and maybe asking developers let's
 10 test this and see how we can get it done and not
 11 hinder the development of the units that we want to
 12 bring online.

13 MIKE MCGUIRE: I mean, I think that--
 14 there's obviously in the affordable housing
 15 construction world there's high road and low road,
 16 right? Like I said, I cite Manodnock because I'm
 17 familiar with them, but you know, there's LMN's and
 18 the BFC's of the world are the high road. That list
 19 that was in the Daily News yesterday is the low road,
 20 you know, and I guess with a little thought--I mean,
 21 it's not really my field, right? I do the politics.
 22 My labor management group could probably sort that
 23 list into A's and B's pretty quickly.

2 CHAIRPERSON ARROYO: But I, you know,
3 labor at the table is important because we're not
4 going to get to a place where we can agree without--

5 MIKE MCGUIRE: [interposing] We have been
6 having conversation. Actually, I have a meeting with
7 some of HPD's staff on Wednesday. So yeah, we're
8 talking.

9 CHAIRPERSON ARROYO: Okay.

10 MIKE MCGUIRE: Absolutely.

11 CHAIRPERSON ARROYO: Good. Thank you,
12 Mr. Chair.

13 CHAIRPERSON WILLIAMS: Thank you. Thank
14 you for answering, pre-answering the diversity
15 question, Mike. And I was actually excited to hear
16 that there's a path if they come in, it sounded like,
17 there's a path if they come in on the B rate of
18 whatever it is, there's a path for them to come up to
19 the rate that is normal.

20 MIKE MCGUIRE: Yeah, absolutely. As we
21 were discussing, you know, as we discussed doing a
22 rate of approximately 60 percent of the rate, we
23 realized that very few of the A rate workers would
24 take that rate unless they were, you know, completely
25 out of work and they needed something to do. You

know, so we realized we had this great opportunity to populate a brand new union from the community groups and churches and wherever else. You know, we work a lot of re-entry programs and that kind of stuff. It's fantastic. But at the same time we said it's not fair if there isn't some way for them to move from if it's--we don't even know what it's going to be. It's going to 79B to 79, that type of thing, you know. If we don't have that kind of a pathway it's really not fair, because what we're doing then is locking the folks from the communities into the lower rate, and we didn't want to do that.

CHAIRPERSON WILLIAMS: And that'll be unfortunate because I think, as I mentioned before, there is a historic problem that I wish was fixed years ago so we wouldn't be having this problem, but was never fixed. So now we have to try to fix it now.

MIKE MCGUIRE: I mean, it is, you know--I will say this, for the most part it's an anachronism at this point. I mean, I would invite all the Council Members to come and visit our various training funds and see the makeup of the current membership. It's changed a lot. I mean, even when I first came in and I started some odd year ago it was changing. There

2 are, I will admit, there are some reprobate unions
 3 out there who loathe change, but the vast, vast
 4 majority of New York City building trades unionized
 5 building trades is actually fairly diverse, and
 6 there's a recent study from the Economic Policy
 7 Institute that shows that you're more likely to be a
 8 steady working African-American construction worker
 9 in the union sector than in the non-union sector.

10 CHAIRPERSON WILLIAMS: I actually would
 11 like to take you up on coming and seeing what's going
 12 on, so I can get some firsthand additional knowledge,
 13 and I also want to make sure that if they're coming
 14 for training and apprenticeships is actually leading
 15 to long-standing paying jobs as well.

16 MIKE MCGUIRE: Well, our system, the way
 17 it works once, you know, you're a member you become a
 18 journey person and you keep your dues paid. We
 19 operate a hiring hall, so, you know, you come in, you
 20 put your name on the list, when your name comes to
 21 the top of the list you go to work.

22 CHAIRPERSON WILLIAMS: Alright.

23 MIKE MCGUIRE: There's no tracking of
 24 race or anything. Once you get out of it--this is an
 25 interesting thing people should understand. Once you

get of your apprenticeship and you become a journey person, you go to the local. You're no longer a student. There's no tracking in our database of anybody's race. We have 10,000 members. So somebody's name comes to the top of list, there's nothing saying he's black, he's Latino, none of that. So there's no, you know, discrimination. There's no way for discrimination to actually happen based on race.

CHAIRPERSON WILLIAMS: Okay. I just--and I appreciate that. I just had a lot of people complaining that they go through these programs and it doesn't really lead to the jobs that they were hoping for, so.

MIKE MCGUIRE: I think the difference would be between the unionized programs and the, well not unionized, but legitimate apprenticeship programs and bogus programs. A lot of contractors set up their own programs. There is a program that--

CHAIRPERSON WILLIAMS: [interposing] I think bogus is a good word. It was actually--there were people talking about apprenticeships in some of the unions. I don't know which ones. So it could have been bogus.

2 MIKE MCGUIRE: It could, and it could
3 very well be some of those unions that, you know,
4 still need to have a bit of a kick in the butt to do
5 the right thing. But there's also, you know, there's
6 a program that HPD set out called Building Skills
7 that's supposedly apprenticeship program of some sort
8 or pre-apprenticeship program and it's, you know--

9 CHAIRPERSON WILLIAMS: [interposing] What
10 was the name, sorry?

11 MIKE MCGUIRE: Building Skills. Is that
12 what it's called, Building Skills or Building Skills
13 New York? And we've talked to some of the folks who
14 are in it, and you know, they're like they get a day
15 of training a week for four or five weeks, and then
16 they graduate out and there's no jobs. And you know,
17 they're promoting this program. It's actually--I
18 shouldn't say. I said HPD, that's incorrect. It's
19 NYSAFA's program. It's not HPD's.

20 CHAIRPERSON WILLIAMS: Building Skills--

21 MIKE MCGUIRE: [interposing] And they're
22 promoting this as like, "Well, we do training too
23 just like the unions." To be a unionized
24 construction craft labor, which is my craft, you do
25 almost 1,000 hours of classroom time and 3,000 hours

2 of practical time before you become a journey person,
3 and they're doing four or six weeks, a day a week.
4 And they're claiming the same status as us. So, those
5 kind of programs need to be cleaned up as well.

6 CHAIRPERSON WILLIAMS: Thank you.

7 Matthew, I just wanted to be clear. Were you saying--
8 was the complaint you had similar to what ANHD was
9 saying about--I wasn't clear. You were saying
10 Habitat, people like Habitat community--

11 MATTHEW DUNBAR: [interposing] About the
12 NYIHOP program?

13 CHAIRPERSON WILLIAMS: didn't have--was
14 not going to have access to building?

15 MATTHEW DUNBAR: Well, no, it was--as
16 defined in the plan, the NYIHOP program was described
17 as focusing on infill of one to four unit
18 developments, and what we were referring to was not
19 being excluded from RFP's for larger developments,
20 even up to 60, 90 units. We would want to make sure
21 that the program is inclusive of those types of
22 projects, and to make sure that the subsidies and the
23 capital dollars that would come along with it,
24 whether it be from Reso A or capital funds through
25 the program wouldn't be capped at a lower rate so

2 that the point that we can actually build the homes
3 for the families that we're trying to serve.

4 CHAIRPERSON WILLIAMS: Thank you. And
5 Moses, has ANHD done any work on looking at the 50/50
6 model or the 50/30/20 model that they mentioned, and
7 can you say which--

8 MOSES GATES: I mean, so we've done a lot
9 of kind of preliminary modeling of how we can layer
10 different subsidies, whether that 421A inclusionary
11 zoning city capital to kind of produce the most
12 affordability. You know, we would really agree with
13 the Administration, it's very case by case and
14 neighborhood by neighborhood. In the next few weeks,
15 something, we're going to kind of put forward a more
16 expansive proposal to see how we can maximize
17 affordability, especially very low income
18 affordability through stacking the various programs.

19 CHAIRPERSON WILLIAMS: Thank you. Have
20 you or any one of your members been appointed to the
21 Housing Plan Implementation Advisory Board?

22 MOSES GATES: I believe we are members of
23 the Housing Planning Implementation Advisory Board,
24 yes. I will make sure and follow up.

2 CHAIRPERSON WILLIAMS: Thank you. Anyone
3 else?

4 MATTHEW DUNBAR: We are not a member.

5 MIKE MCGUIRE: And to the best of my
6 knowledge, I didn't think anybody from labor is on
7 there. I could be wrong, though.

8 CHAIRPERSON WILLIAMS: Okay, thank you.
9 Thank you for your testimony. Next we have Tom
10 Waters, CSS, Joan Byron, Pratt Center, Elizabeth
11 Wisman, Enterprise Community. Also, we're going to
12 call Jenny Laurie from Housing Court Answers, Ron
13 Day, Osborne Association, Andrea Cianfrani from
14 Council of Senior Center Services. So that's six
15 folks, Tom Waters, Joan Byron, Elizabeth Wisman,
16 Jenny Laurie, Ronald Day and Andrew Cianfrani. I
17 think I got that right. Can you each raise your
18 right hand please? Do you affirm to tell the truth,
19 the whole truth and nothing but the truth in your
20 testimony before this committee and to respond
21 honestly to Council Member questions? Thank you, and
22 you can begin at your leisure in your order.

23 TOM WATERS: Hi, I'm Tom Waters from the
24 Community Services Society of New York, and thank you
25 all the Chairs for this opportunity to testify, and

1 for staying through all this testimony. During the
2 Bloomberg years, the Community Service Society was
3 felt, called upon over and over again to say that the
4 new housing marketplace plan was a good plan, but
5 that it fell far short of meeting the needs of this
6 city, in particularly that it didn't compensate for
7 the loss of affordable housing due to vacancy de-
8 regulation and the weakness of the rent regulation
9 system. Today, I have a slight variation on that
10 theme. I want to highlight and applaud some
11 important ways that the Housing New York Plan goes
12 beyond the Bloomberg plan and a very concrete
13 important steps. I want to raise a few concerns. I
14 want to suggest a few ways to strengthen the plan,
15 and I do want to reiterate the importance of rent
16 regulation, which couldn't possibly be compensated
17 for by any realistic production plan. So, first the
18 good things are, that should be highlighted about the
19 de Blasio Administration's plan is that it does
20 represent a very significant increase in the amount
21 of city capital money being put into affordable
22 housing relative to the Bloomberg plan. It gets--
23 they've committed to get rid of double dipping
24 between zoning and direct subsidy benefits for the
25

1 same housing. That's important. And of course, you
2 know, they're being creative in trying to find new
3 incentives for affordable housing through the city's
4 zoning power. Those are really good and important
5 things, and it goes beyond just saying 200,000
6 instead of 165,000. However, the first thing,
7 problem is land. For years we've been building
8 affordable housing on the old and ram [sic] stock
9 that the city took for taxes in the beginning in the
10 70's and that's gone. So that's a resource of less
11 than we used to have, and to compensate for that I
12 want--like to see the city make it a top priority to
13 use any other land that it owns or that other
14 government entities owns, to use that for affordable
15 housing, not to use it for market-rate development,
16 not to sell it off to generate revenues, especially
17 in the most desirable locations, because if you want
18 affordable housing to create economic integration,
19 you need to--you can't just build on the lowest value
20 of land in the city. That won't help. Alright, I'm
21 going to give bullet point versions. Okay, so I
22 already said make a priority for the use of the
23 city's land. Two, at least on a pilot scale, create
24 a program that provides operating subsidies to make
25

2 housing that's affordable for people below twice the
3 poverty line or 30 percent of AMI, 35,000 dollars a
4 year to put it in real numbers. Every neighborhood
5 in the city needs housing at that level. It's
6 expensive. The city can't meet the need, but it
7 should be using its creativity on that front.

8 CHAIRPERSON WILLIAMS: Sir, we're going
9 to have to ask you to, in interest of fairness, to
10 wrap up.

11 TOM WATERS: And one more. In the process
12 of tying new development to affordability
13 requirements, the city should be studying the
14 interaction between the tendencies for new
15 development to create secondary displacement by
16 raising values in the neighborhood versus the
17 affordability requirements. Study and see how much
18 affordability requirement you need to compensate for
19 the tendency of new development to displaced people.
20 That's all. Thank you.

21 CHAIRPERSON WILLIAMS: Thank you.

22 ELIZABETH STROGEN: Alright. Good
23 afternoon. Thank you for the opportunity to testify
24 today. My name is Elizabeth Strogen [sp?], and I
25 lead the state and local policy work for the New York

Office of Enterprise Community Partners. At Enterprise, we bring opportunity to low and moderate income communities nationwide through safe, healthy, affordable housing. Since 1987 we've created or preserved 44,000 units for 114,000 New Yorkers and invested 2.9 billion dollars in equity grants and loans to community development projects throughout the city, but as we've been talking about today, despite the sizable investment by Enterprise and our affordable housing partners, many of whom are here today or at least were here today. We are in the midst of a full blown housing insecurity crisis in New York City. More than 600,000 low income New Yorkers pay more than half of their income on rent, and almost 60,000 of our neighbors are already homeless. It is this emergency situation that necessitates a bold and achievable plan. At Enterprise, we are confident that the Mayor's Housing Plan sets us on a course to end housing insecurity, but also as we've talked about today, it's a start. So we want to highlight three particularly important aspects of the housing plan today, and I see that I'm almost out of time. The first is deeper income targeting, and we've talked a lot about that today,

the need for more units for extremely low and very low income households. This plan actually quadruples the number of units dedicated to these income bands over the previous Administration's plan and we're very supportive and appreciative of that. The second thing we want to highlight is something that was only mentioned earlier in passing, so I feel like as Enterprise, we should bring this up. It's sustainability. Enterprise firmly believes that sustainability is an equity issue, and we're working hard with the Administration and with your Council to make sure that we are able to prove that it's possible to bring the environmental, economic and health benefits of green building to affordable housing. And finally, preservation, we've also talked a lot about preservation today, and we are also very interested in working with the council and with the Administration on figuring out the right balance between carrots and sticks, as we talked a little bit about today. So, thank you.

ANDREA CIANFRANI: Good afternoon, Chairs, Chair Arroyo and Chair Williams and Chair Greenfield. I'm Andrea Cianfrani. I am the Deputy Director of Public Policy for the Council of Senior

Centers and Services. CSCS represents over 100 members providing services and community based programs that serve over 300,000 seniors annually. Access to affordable, safe housing for seniors is the cornerstone of keeping seniors in their communities. CSCS is uniquely positioned to help in these efforts with over 25 of the leading nonprofit developers that provide over 20,000 of affordable units of housing across the city. We know that we've talked a lot today about seniors being the fastest growing demographic in the city, and we very much appreciate all of your comments and thoughtful questions about where seniors are included in the plan. We appreciate that, and we also appreciate that this is the first time that seniors were included in a housing plan through the city. That's very important and we commend both the Administration and the City Council for all of your efforts in looking at that. As you well know, with this fastest growing demographic they are also extremely vulnerable financially as are often on fixed incomes and the rising costs make their futures very difficult to understand how they will keep up with the rising costs that face them. When an average social

security income only provides an average of 14,700 dollars a year, which puts them above the poverty line, but still yet unequipped to face the challenges that lie ahead for their lifetime. We've provided to you in our testimony a copy of our housing, comprehensive housing paper with some full policy recommendations, but I did just want to highlight a few today. Number one is the SCRE program, which City Council is instrumental in helping raise the eligibility to 50,000 dollars over the past year and we greatly appreciate that. We do also firmly believe that it should not be the city's best kept secret. We believe that there should be an aggressive outreach campaign to get more seniors on SCRE and we'd be eager to work with you on that. Again, we've talked a lot about preservation and we believe that that's one of the best preservation programs to keep seniors in their homes as well as preserve the stock of affordable housing. I know my time has expired. We just also wanted to highlight the importance of funding for service coordinators and establishing a funding stream for service coordinators in affordable housing that will also keep seniors in their homes. Again, thank you all

for your opportunity--the opportunity to testify here today, and we look forward to working with you and making New York City a better place to age and helping seniors remain in their homes. Thank you.

CHAIRPERSON WILLIAMS: Thank you. Tom, your third point at the end was, "When tying affordable housing production to major new developments, carefully study the interaction between the affordability requirements and the secondary effect of the new development on the surrounding market in order to ensure that there is a net increase in affordable housing." Please explain that.

TOM WATERS: Alright. So the idea here is that when you build, when you upzone and build a new development, that makes the land next door more desirable, and rents will tend to go up there higher and people will want to move there, and there's a very serious threat of displacement. I mean, you know, we built tons of new housing on the Williamsburg waterfront that certainly didn't make rents go down. Next door to that they went up and people were displaced. So, this plan implicitly proposed to mitigate that by saying that we're going

2 to step up the affordability requirements that come
3 with new development and that way, you know, the
4 community will have some protection, but we don't
5 know how much affordability requirement it takes to
6 compensate for the secondary effect, you know, the
7 tendency for rents to go up near new development.

8 CHAIRPERSON WILLIAMS: So you're saying--

9 TOM WATERS: [interposing] And we will
10 only find out by doing it and studying it, right?

11 CHAIRPERSON WILLIAMS: So, you're saying
12 we may upzone this one place and build affordable
13 housing, but next door we lose the affordable
14 housing, so there's no net increase.

15 TOM WATERS: Right, so measure that and
16 see.

17 CHAIRPERSON WILLIAMS: Has there been any
18 programs that we could look at at how we measure
19 that?

20 TOM WATERS: Not that I know of.

21 CHAIRPERSON WILLIAMS: Alright. And your
22 second point of creating new programs even if on a
23 pilot scale to boost new housing for people with
24 incomes below 200 percent of poverty, I guess that's
25 roughly 40 percent of AMI?

2 TOM WATERS: That's about a little over
 3 30 percent of AMI. So that's a level where the rent
 4 that the household can afford is not enough to pay to
 5 operate the building. So it's not just a matter of
 6 paying back the cost of building the building, it's
 7 paying for the heat and the building personnel and
 8 all that, right? So, that has to be subsidized
 9 somehow. It can be done through cross-subsidy, and
 10 Moses mentioned a way to make 421A help with that,
 11 but in one form or another it needs a subsidy, and
 12 you know, it would be nice if we had enough section
 13 eight vouchers to deal with that, but we don't. So
 14 we're calling on the city to try to create its own
 15 operating subsidies in order to be able to build
 16 housing that meets the need of people below that
 17 level, which you know, in a lot of neighborhoods that
 18 we're building in is the majority of the people who
 19 live there. Other cities have livable [sic]
 20 operating subsidies.

21 CHAIRPERSON WILLIAMS: And this is for
 22 anyone. It sounded--I didn't get to drill into the
 23 numbers, but it sounded like the goal was 20 percent
 24 to get 20 percent of the units to be for very low
 25 income or below 50 percent. I think I heard 80

percent below 30 percent and then 20 percent below 50 percent. Is that enough in your opinions?

TOM WATERS: Well, so rather than say whether it's--I mean it's not. Of course it's not enough. That's a given. So instead of focusing on that, I would say, you know, what is it? What are the--you know, since they haven't--as Commissioner Been testified, they haven't really done that yet. We don't know what it's going to look like when they do it. That's four times what Bloomberg did. So it's a substantial promise they've made that it's hard to say anything about because we don't know how it's going to work. You know, what I'm saying is-- whatever you can do with the existing things out there, the section eight vouchers, the few that are available with you know, supportive housing subsidies, whatever else they might be thinking of, do that and then do more by creating new programs, experimenting, trying to be as creative as they are with their approach to zoning in an approach to providing operating subsidies, because you got to-- somebody has to push the envelope ultimately the federal government will hopefully get back in the

business of paying for this, but I wanted the city's creativity to contribute to that.

ELIZABETH STOGEN: And I'll just add I would definitely agree with Tom. It's of course, not enough. So I think what we need to be talking about as an affordable housing community, is how do we bridge the gap between the cost of not only the capital cost, but as Tom brought up, the operating costs. So we've batted around a lot of talk today about income mixing and cross-subsidization, and I think that's probably the number one way that we're going to get there. So, HTC talks--

CHAIRPERSON WILLIAMS: [interposing]
Sorry, say that again?

ELIZABETH STOGEN: Income mixing and cross-subsidization. So that's the 50/30/20. It's the 50/50. It's the 421A and inclusionary, but I just want to reiterate what my colleague Moses from ANHD said, that every neighborhood is different. So before we are prescriptive that every neighborhood needs this mix of this AMI level, we know that in some neighborhoods we'll need lower levels of affordability and cross-subsidization in my neighborhood in Bedford Park in the Bronx going up to

80 percent AMI is going to lift the income levels in the neighborhood, right? And we know that in some parts of Brooklyn going up to 165 percent AMI to cross-subsidize very low income units is not going to be a problem. So, I think we need to look deeper at this, and we can look at ways to get these units off budget through inclusionary that's not necessarily Enterprises' wheelhouse, but it's something we should talk about.

CHAIRPERSON WILLIAMS: And I haven't heard much talk about this, but what about looking at how we can use some of the retail space to go deeper into affordability? It might take some of the floor to air ratio, but we might actually be able to cut in deeper if we look at some of the retail as a way to go in this. Have any of you looked into that?

ELIZABETH STOGEN: Yeah, so Enterprise does work with several mixed use developments, and we work with--we've talked a lot today about the low income housing tax credit. We also work with another type of tax credit called the New Markets Tax Credit, which enables retail space to come into developments, and can also help cross-subsidize, but I think it's important to look at the neighborhood make up and

2 what's needed in the neighborhood. So in some cases
3 it may be an income generator like a grocery store,
4 and in some neighborhoods it might be a federally
5 qualified health center. So I think it will depend,
6 but I think that's a great point and something we
7 should definitely look into.

8 CHAIRPERSON WILLIAMS: Are any of you on
9 the Housing Plan Implementation Advisory Board?

10 TOM WATERS: David Jones, the President
11 of CSS is on the board, and Nick [sic] and I have
12 been to meetings to represent him.

13 ELIZABETH STOGEN: Yes, Enterprise is on.

14 ANDREA CIANFRANI: No, I don't believe we
15 are.

16 CHAIRPERSON WILLIAMS: Okay. Thank you
17 very much for your testimony.

18 ELIZABETH STOGEN: Thank you.

19 TOM WATERS: Thank you.

20 ANDREA CIANFRANI: Thank you.

21 CHAIRPERSON WILLIAMS: Next I'm going to
22 call out several names and whoever's here can come
23 up. Matthew Hasset, Center for NYC Neighborhoods,
24 Erika Glenn-Byam, East New York Brooklyn, Ramon Perez
25 [sp?], Belina Anderson [sp?], are any of those people

here? Just yell out a quick here if I said your name. Matthew Hasset? Erika Glenn-Byam? Erika Glenn? Ramon Perez? Belina Anderson? So, Matthew's not here. And can we get Claude Wilner? Is Claude Wilner here? Claudia, I'm sorry. I'm going to try one more. Leon Black from CASA? Okay, I'll call him up on the next one. It's okay. Shaniqua Charles? That's her, okay. Well, we'll get Leon on the next one. We'll just--yeah, but I don't--we don't need both of them, so we'll just do on the next one. So we'll take Shaniqua Charles now and then we'll do Leon on the next one. So, we should have Erika Glenn-Byam, Ramon Perez, Belina Anderson, Claudia Wilner and Shaniqua Charles. Is that correct? Please raise your right hands if you're planning to testify. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to Council Member questions? Yes, you can start in your chosen order when you'd like.

ANA TAVERAS: I'll be translating for him.

CHAIRPERSON WILLIAMS: Sorry?

2 ANA TAVERAS: I will be translating for
3 him.

4 CHAIRPERSON WILLIAMS: Okay, can you say
5 your name on the record?

6 ANA TAVERAS: Ana Taveras, A n a T a v e
7 r a s.

8 CHAIRPERSON WILLIAMS: And you'll be
9 translating for?

10 ANA TAVERAS: Ramon.

11 CHAIRPERSON WILLIAMS: Thank you.

12 RAMON PEREZ: Buenos tardes. Mi nombre
13 es Ramon Perez. [speaking Spanish]

14 CHAIRPERSON ARROYO: [interposing] Pedro?

15 RAMON PEREZ: [speaking Spanish]

16 ANA TAVERAS: My name is Ramon Perez, I
17 worked in a affordable housing project financed by
18 HPD at 2865 Kingbridge Terrace in 2001 to 2012--2011
19 to 2012. I was paid off the books and some of my co-
20 workers have to pay kickbacks.

21 RAMON PEREZ: [speaking Spanish]

22 ANA TAVERAS: My employer stole more than
23 48,000 dollar from my salary. In total, the Attorney
24 General found that more than half a million dollars
25 was stolen from this project. I'm one of hundreds of

workers who have been--whose salary have been stolen. Since 2010, more than 14 million dollars have been stolen in different projects in affordable housing in New York City.

RAMON PEREZ: [speaking Spanish]

ANA TAVERAS: Each day I would go to work knowing that I was risking my life working in unsafe conditions. Each day I would go to work knowing that money was being stolen from me and not knowing exactly how much I was going to be paid, and knowing that, I probably could never afford to live in one of those apartments that I was building.

RAMON PEREZ: [speaking Spanish]

ANA TAVERAS: I think it's good that the city is continuing to build affordable housing, however, I need a home that I can afford. No worker can afford to pay for an apartment when they're getting paid under the table with really low wages.

RAMON PEREZ: Por favor, [speaking Spanish]

ANA TAVERAS: Please help us protect our families, our safety and not just mine, but a lot of other workers.

RAMON PEREZ: [speaking Spanish]

2 ANA TAVERAS: They're still financing
3 contractors who don't pay their workers, who steal
4 from their workers, and they put their lives at risk.
5 There should be some rules that all workers should be
6 protected, and they should be receiving a fair
7 salary.

8 RAMON PEREZ: [speaking Spanish]

9 ANA TAVERAS: Build housing that workers
10 like me could afford.

11 RAMON PEREZ: [speaking Spanish]

12 ANA TAVERAS: I deserve to work in
13 dignity, to be safe at work. I want to go to work
14 knowing that I am going to come back home to my
15 family and that maybe one day I could afford to live
16 in one of those apartments that I am building. The
17 city can do this by including pre-requisites for
18 those who are building affordable housing. Thank you
19 for your time.

20 CHAIRPERSON WILLIAMS: Thank you. Just,
21 did you want to mention who it was, or you don't want
22 to mention?

23 ANA TAVERAS: [speaking Spanish]

24 RAMON PEREZ: [speaking Spanish]

25 ANA TAVERAS: Apply Construction.

2 CHAIRPERSON WILLIAMS: Apply
3 Construction. Thank you.

4 ERIKA GLENN-BYAM: Hi, good afternoon.
5 My name is Erika Glenn. I'm a veteran of the United
6 States Air Force, a Brooklyn native and a union
7 construction worker with the Laborers Local 79. As a
8 New Yorker, I am thrilled that this new housing plan
9 proposes to preserve and build so many units of
10 affordable housing. Lord knows we need it. And as a
11 resident of East New York, I am excited that a lot of
12 it may come to my neighborhood. I need it. My
13 brothers need it and my sisters need it. My friends
14 need it. My neighbors need it, and I hope it gets
15 built. But I'm also acutely aware of the need for
16 jobs in my neighborhood, but not just some part time
17 jobs that shoot up and then you're right back down
18 the ladder, a good job. And what defines a good job?
19 A job that provides the opportunity for further
20 employment, a job which offers support and training,
21 a job with health insurance, a job that enforces
22 safety regulations so we can make it home to our
23 families at the end of the day, a job which pays the
24 wage that actually adds up to enough money to rent or
25 maybe even buy one of these affordable houses, a

1 career. Just a few years back we had another housing
2 plan, and unfortunately, those were not the type of
3 opportunities that were created. Instead, millions
4 of dollars were stolen from workers by contractors,
5 and access to long term career pathways were not
6 prioritized. Unfortunately, those same contractors
7 may have the opportunity to take advantage of workers
8 again, unless this new plan and all of you ensure
9 that only responsible employers have the privilege to
10 shape our city and benefit from our tax dollars. I
11 leave you today with three wishes, and I hope you
12 take them as seriously as I do, because I would hate
13 to see us miss this chance to make a real difference
14 in the lives of the fellow New Yorkers. One, that
15 the income requirements prioritize people with the
16 highest need and provide truly affordable housing.
17 Two, that it'll be built by people like me, people
18 who actually live in these neighborhoods. Three,
19 that it provide union career pathways and work for
20 contractors and companies that demonstrate a real
21 commitment to the safety and wellbeing of their
22 workers. I hope you will commit to making this
23 happen, and yes, I'm from Brooklyn and I'm a laborer.
24 Thank you.
25

2 CHAIRPERSON WILLIAMS: Thank you.

3 BELINA ANDERSON: Hello, my name is--is
4 this working? My name's Belina Anderson, and I
5 represent the Cathedral Gardens Condominium
6 Residential Unit Owners, and I'm here to represent
7 the moderate income recipients of affordable housing
8 programs. I was here with four of my building
9 residents, but unfortunately they had to leave. They
10 stuck it out for quite a while, though. Anyway,
11 speaking on behalf of the Resident Unit Owners of
12 Cathedral Gardens and those who are the intended
13 beneficiaries of affordable housing, we urge the City
14 Council to stop affordable housing from becoming
15 lemon housing. Too often, the fruit of affordable
16 housing programs are lemons, shoddy construction.
17 The low and middle income homeowners the city intends
18 to help are instead saddled with buildings that have
19 major structural defects, excuse me, that cause
20 staggering amounts of money to repair, sometimes
21 millions of dollars to repair. But the unit owners
22 have little recourse to recover the damages for
23 construction defects, except for costly time
24 consuming law suits against developers who are
25 shielded from liability by using shell companies. In

short, developers awarded affordable housing projects purchase city owned land below market value, receive subsidized financing, use low quality materials, cut every corner possible, build in haste, sell the units, pocket the profits, then walk away and don't look back at buildings that can't even keep out the rain. This cannot be a business model that gets the city's blessing or tax payer money. What can the City Council do? Insist that HPD enforce the contracts between HPD and the developers. We urge HPD to take a look back, a hard look back at the performance of developers. HPD should do a post-completion evaluation, perhaps more, because a lot of these defects are latent, and keep track of those who are poor performers. May I have another minute, given my four people left and--

CHAIRPERSON WILLIAMS: You can't have another minute, but you can wrap up.

BELINA ANDERSON: Okay, in short, the developer of our building, Artimus [sp?] Construction, receives subsidies in the form of a cornerstone subsidy agreement and a loan from the Community Preservation Development Corporation and we think that HPD should enforce the contracts in the

2 land disposition agreement and the cornerstone
3 subsidy agreement that had requirements including
4 labor requirements and other requirements. Thanks so
5 much for your time. I appreciate it.

6 CHAIRPERSON WILLIAMS: Thank you.

7 CLAUDIA WILNER: Good afternoon and thank
8 you for the opportunity to testify today. My name is
9 Claudia Wilner, and I'm Senior Staff Attorney at the
10 New Economy Project, and I'm here today on behalf of
11 the New York City Land Initiative, which is an
12 alliance of social justice and affordable housing
13 organizations and academics and urban planners who
14 are committed to creating and preserving affordable
15 housing for all New Yorkers and especially for those
16 who are homeless or have extremely low incomes. Among
17 other things we do, wide variety of work, but we've
18 recently established the East Harlem El Barrio
19 Community Land Trust in East Harlem which is going to
20 serve as a pilot for community land trusts citywide.
21 We appreciate the Mayor's housing plan, but we are
22 troubled by deficiencies in the plan, including a
23 real lack of, well for better words, a plan,
24 specifics to create housing for extremely low income
25 New Yorkers who are also most in need of housing, as

well as that there doesn't seem to be much thought in the plan for how the affordable units that are created are going to be preserved and to stay that way over the long term. We think that community land trusts are a critical part of finding housing for extremely low income New Yorkers, and housing that's not just housing today, but that will still be there generations from now. And I think if you look at, you know, the--what we heard this morning with only 27 units out of more than 1,000 being built for people with extremely low income, the city needs help and it needs to focus on this particular part of the population. In a community land trust, and I know I don't have much time, but the land is taken out of the private market. It is owned by a nonprofit whose mission is to preserve the affordability and the quality of housing on that land forever, and the speculation that gentrification pressures that are, you know, apparent everywhere else don't exert those same pressures, and that gives the community land trust especially when they can partner with mutual housing associations and other nonprofit housing providers a real ability to provide housing at much lower income levels than is possible through

mandatory inclusionary zoning for example, even though, you know, that's a great other component of a housing plan. So we really think that the city should be doing everything that it can to think about how it can support this model, and we have a number of specific recommendations for ideas we have about what the city could do, and we would love to be engaged in a conversation--

CHAIRPERSON WILLIAMS: We need you to wrap up, please.

CLAUDIA WILNER: yes, with the Council and the city going forward about how to make this happen. Thanks.

CHAIRPERSON WILLIAMS: Thank you.

SHANIQUA M. CHARLES: Good afternoon. My name is Shaniqua M. Charles. I'm a Bronx resident, a CASA leader, Community Board Seven Member and Executive Director of Miss Abby's [sp?] Kids, a youth development nonprofit for serving the northeast Bronx. Thank you New York City Council for creating a space where these pertinent issues can and should be discussed. Part of this overall problem is the fact that we're looking at housing as a commodity that we have to earn rather than a human right that

1 is deserved. Without stable and decent housing,
2 nothing else can be focused on, and statistics show
3 that when a tenant goes to Housing Court without a
4 lawyer, 80 percent of those cases end in an evicted
5 family. Eighty percent of those cases end in a
6 displaced family, 80 percent, where no focus can be
7 put things on like nutrition, scholastic advancement,
8 bonding or anything remotely recreational. This
9 further incapacitates and devastates our already
10 struggling communities. The questions posed today
11 are: What can the Mayor do to further preserve the
12 rent stabilized housing that we have now, and create
13 more? Well, one of the answers to this is to fund
14 bill 214, which will make it a right for those
15 suffering through the threats of eviction and
16 potential homelessness to have legal representation
17 as a right in housing court. As we know, folks
18 having to try their civilian hands against mostly
19 predatory landlord attorneys willing to sometimes
20 lie, cheat, steal apartments for profit, they usually
21 lose. As the numbers have it, in fact, when
22 represented by attorneys, the percentage of tenants
23 who are able to keep their home rises to nearly 80
24 percent. In one borough alone, the Bronx, between
25

the years of 2013 and 2012 over 20,000 evictions took place, over 20,000. Now, if these people alone had had a legal representation as a right, that number may have been less than 4,000, which is still too many homeless families. Let's understand that this affects the housing stock, because the landlord then has the ability to increase the rent at a 20 percent rate. We will not begin to act like affordable in this town is actually affordable, especially with many new developments being built under that guise, built at 60 to 80 percent AMI, an AMI which includes the incomes of our friends in Nassau and Westchester Counties, when over 30 percent of our rent stabilized tenants currently have incomes less than 15,000 a year, 15,000 a year. Another issue that can be saved for another day at another hearing. The bottom line is that there is no building us out of this crisis. We must preserve what we have in addition to building moving forward. Funding bill 214--

CHAIRPERSON WILLIAMS: [interposing] Going to have to ask you to wrap up, please.

SHANIQUA M. CHARLES: Wrapping up now. Funding bill 214 that provides tenants facing evictions with a quality lawyer to help them stay in

2 their homes is the answer, is part of the answer and
3 it cannot and should not be ignored. Thank you very
4 much.

5 CHAIRPERSON WILLIAMS: Thank you. Ramon,
6 I wanted to ask you if the issues that you have were
7 they on a union construction site or a non-union
8 construction site?

9 RAMON PEREZ: [speaking Spanish]

10 ANA TAVERAS: Non-union job.

11 CHAIRPERSON WILLIAMS: Non-union. Have
12 you been able to recoup any of the money from Apply?

13 RAMON PEREZ: [speaking Spanish]

14 ANA TAVERAS: Yes, I already recuperated
15 money.

16 CHAIRPERSON WILLIAMS: I'm very glad to
17 hear that. And Erika, I just wanted to thank you for
18 your service to the country, and we're going to do
19 the best we can to make sure that the housing that
20 goes to these communities they can be afforded by the
21 people who live there, and I would prefer that we
22 find a way to get people jobs so they can build it as
23 well. I don't know if my colleagues have any
24 additional questions.
25

2 CHAIRPERSON ARROYO: I think the point
 3 about the quality of the housing that's built and
 4 what happens after tenants move in or shareholders
 5 take possession of their units is something that in
 6 my district for sure is a major, major issue. And it
 7 is absolutely incumbent on HPD to step up its role in
 8 the oversight of how this housing is built and
 9 partner with the Department of Buildings to do the
 10 appropriate inspections before units are turned over.
 11 Far too many residents in my district are suffering
 12 from poorly constructed housing by exploited workers.

13 CHAIRPERSON WILLIAMS: Thank you. And Ms.
 14 Anderson, you gave a pretty good suggestion that I'm
 15 going to put on the record, and then hopefully we can
 16 implement. Obviously we've been here for quite some
 17 time, and your suggestion is that when we post it
 18 publicly we give an estimated time of when the public
 19 would begin. I think that's an excellent suggestion,
 20 and hopefully we can find a way to implement that.
 21 As the Chair said, maybe we can start with the public
 22 first. But thank you for hanging in there and giving
 23 your testimony. Thank you all for your testimony.
 24 Matthew Hassett, Center for New York's--NYC, CNYC,
 25 Fitzroy Christian, you can come. You can sit--you

can come up. Matthew Hassett, Maria De La Cruz from CASA. [off mic] I called a gentleman who was out before, what was his name? He don't want to? Okay. Leon Black from CASA. Oscar Mentero [sp?] from Cathedral Gardens? Oscar's gone? Okay. So, all the Cathedral Gardens, they're not here, right? Matthew Chachere, Northern Manhattan Improvement? I don't know about--whoever signed up, so. [off mic] For Northern Manhattan? Is that Maria? Okay, if you want to wait, I'll call all the people from there at one time. So we have Matthew Hassett, Fitzroy-- Matthew Hassett, Fitzroy Christian, Maria de La Cruz is not here. That's you? Oh, I'm sorry. Belina Anderson is not here? [off mic] Oh, I'm sorry. Now let's see if we could get one more here. Who is this? Sam Marks? For Local Initiatives Support? Okay. And sergeant, can you make sure that the woman who is filling in for Sam Marks gets a--what do you call this, a card, a sign in sheet? Appearance card, thank you. Can you all raise your right hand, please? Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to Council Member questions? You can begin.

2 MATTHEW HASSETT: Thank you, Chairman
3 Williams, Chairman del Carmen Arroyo and Chairman
4 Greenfield. My name is Matthew Hassett. I'm the
5 Director of Policy and Communications at the Center
6 for New York's New Neighborhoods. We're a nonprofit
7 committed to preserving and protecting affordable
8 home ownership in New York City's five boroughs.
9 Since 2008 we've helped over 30,000 home owners
10 having trouble keeping their homes. We're pleased to
11 see that the housing plan includes affordable home
12 ownership and affordable homeowner's strategy. Over
13 two million households in the city own their homes,
14 and almost a third of New York homeowners earn less
15 than 50,000 per year. We're particularly concerned
16 about making sure that they continue to be a part of
17 the housing conversation. I want to highlight four
18 things. First, in terms of foreclosure prevention.
19 Though nationally we've seen a downturn in
20 foreclosure in New York State and in New York City
21 foreclosure continues to be a major crisis.
22 Foreclosure numbers in New York State were up 30
23 percent last year, and it's a daily source of
24 confusion and financial hardships for thousands of
25 New Yorkers. We are committed to assisting New

Yorkers through direct services through our network of 36 community based partners, several of whom have testified here today. Homeowners who are helped by our network of counselors are 30 percent more likely to receive a mortgage modification, and on average, those mortgage modifications save households approximately 1,000 dollars per month. We thank the City Council for their support of those services on an ongoing basis, and we thank the de Blasio Administration. Second, the report talks about the plan. It talks to predatory practices targeted at homeowners and home buyers. We're extremely concerned about this, and we'll be releasing a report later this week about foreclosure rescue scams, and we hope the de Blasio Administration will continue to focus on these predatory practices that take money from homeowners. Third, we are committed to a resilient New York City, and as we work, continue to work towards recovery following Sandy, we hope that the City Council will help us as we formalize the resiliency work that's begun already by many local groups. And finally, we would just ask that the City Council help us in making sure that there are affordable homeownership opportunities as part of the

plan and that we try to counter the investor trend where families that--or houses that were once owned by owner occupied, you know, residents are increasingly investor lent [sic]. Thank you very much.

CHAIRPERSON WILLIAMS: Thank you. Did you submit testimony?

MATTHEW HASSETT: I did, yeah. I can-- I'll go make sure.

CHAIRPERSON WILLIAMS: Oh, you submitted, okay. Next please?

FITZROY CHRISTIAN: Good afternoon Chair Williams, Chair Arroyo, Chair Greenfield. My name is Fitzroy Christian. I am from the Bronx. I am a CASA leader, and I want to thank you for this opportunities to speak to you briefly. A lot of what I had to say has been said earlier, and I'm sure is going to be said a bit later. So in the interest of time, I'm going to be skipping a lot of it, except for one thing. I find, and we at CASA find that one thing was really missing, glaringly missing from the Mayor's Housing Plan. It was that whether or not he was fully committed to a right to counsel, and whether or not he was prepared, or whether he even

1 thought of supporting our legislation that would make
2 right to counsel a reality in New York City, and
3 whether he was going to funding that. Because find
4 that no matter what has happened in the courts, no
5 matter what reforms may be made, no matter how many
6 new apartments are built, if tenants do not have that
7 protection of legal representation in courts, they're
8 not really protected and they can lose their new
9 apartments just as easily as they're losing it now.
10 What we need as tenants, the same rights that
11 criminal defendants have, that other jurisdictions
12 around the country--no, well I should say that, in
13 New York City we are domestic workers and other
14 people have an automatic right to legal
15 representation when it comes to the courts, that we
16 believe tenants should have that right in Housing
17 Courts, because landlords use the Housing Court as
18 their eviction mills, because they know the ins and
19 outs of the courts. They have the training. They
20 have the skills and when they're faced off against
21 frightened, vulnerable tenants who do not know their
22 rights. There's only way the decision is going to
23 go, and that is against the tenants. We need to make
24 sure that the mayor understands this and that he's
25

prepared to support the laws and fund it, and give it the power that it needs so that tenants get protection in this new housing plan. Thank you very much.

MARIA DE LA CRUZ: Hello everyone. My name is Maria De La Cruz. I'm a community organizer at CASA New Settlement in the Bronx, the borough with the highest eviction rate in the city along with the highest concentration of affordable housing. We're losing affordable housing at a faster rate than we can build. In just the last two years, Community Board Four has lost at least 10 percent of stabilized units. I say this because I want to highlight why the right to counsel in eviction proceedings should be included in the Mayor's Affordability Housing Plan. What does it mean not to include this? It means ignoring the unjust process that in 2013 allowed about 30,000 families to be evicted from their homes. I rise [sic] that more than 20 percent of evictions within the last decade. More than half of these families wouldn't have lost their homes to eviction if they had the right to counsel. By funding the right to counsel, in eviction proceedings we would be preventing families from getting evicted

from the most affordable housing that they will have access to. Not having the right to counsel sets for instability of shelter, education, employment and family. Tenants are brought to Housing Court by landlords who about 90 percent have attorneys. Tenants are forced to defend themselves without knowledge of their rights in a fast paced technical case. I repeat, studies show that more than half of families would have not been evicted if they had a right to an attorney. The right to counsel will not only provide security for some of the most vulnerable populations in the city, but also save the city money. Having families stay in their homes would avoid the long term cost of being evicted. More than half of all the tenants of evicted families are from rent regulated units. Two-thirds of these families are earning less than 25,000 a year. Landlords use and exploit loopholes to permanently raise rents for future tenants and make those apartments market rate. This diminishes the amount of affordable units in general and threatens the livelihood of rent stabilized housing. As it stands, the cost of a bed in a New York City municipal shelter is 36,000 a year, and developing an affordable unit costs over

250,000, but the price of full legal representation in the case of Housing Court is estimated to be about 1,600 to 3,200 per case. By funding Intro 214, which provides the right to counsel in eviction cases, we will be protecting existing affordable units and not furthering the growing demand of affordable housing. Thank you.

HELENE CALOIR: Thank you, City Council, Committee Chairs Williams, Arroyo and Greenfield for inviting us to testify today at this hearing. My name's Helene Caloir, I'm the Policy Director at Local Initiatives Support Corporation New York City Program and I'm covering for our Executive Director Sam Marks who was called away. I will be speaking about a crucial constituency here in the city that stands ready to work with the Administration and the City Council to support and implement the ambitious goals of the Housing New York Plan. That constituency is the community development sector, which has developed over 100,000 units of community based housing, that is affordable housing that's owned or controlled by mission driven nonprofit community development corporations that engage directly in actions that advance public policy goals.

1 First, a little bit about LISC. Over the last 34
2 years, LISC New York has invested approximately 2.3
3 billion in more than 75 New York City Community
4 Development Corporations and other local nonprofit
5 organizations. With our support, these organizations
6 have developed over 34,600 affordable homes in more
7 than 2.3 million square feet of community and
8 commercial space. I'm going to your point about
9 having commercial space helps support the affordable
10 housing. So we've provided grants, loans, tax equity
11 and technical assistance to these groups. So we at
12 LISC have a unique advantage point from which to see
13 that investment in this sector provides many benefits
14 beyond the production of affordable homes. Community
15 based housing nonprofits leverage their real estate
16 assets and credibility with residents to leave
17 meaningful community planning and engagement to
18 revitalize commercial corridors reclaim and transform
19 public spaces, create healthy food infrastructure,
20 and improve educational quality. So, I know I need
21 to wrap up, but the point here is that we work with
22 so many community based organizations all over the
23 city who have done so much more than just housing.
24 It's housing plus. They've created jobs, quality
25

2 jobs. They do healthy food advocacy. They're doing
3 in the case of Bedford Stuyvesant restoration and
4 consortium of organizations in Bed-Stuy, an aging
5 improvement district that allows seniors to age in
6 place. And--

7 CHAIRPERSON WILLIAMS: [interposing] I'm
8 going to have to ask you to wrap up. I'm going to
9 have to ask you wrap up, please.

10 HELENE CALOIR: Okay. And makes the
11 neighborhood more senior friendly. So, we want to
12 just make sure the CDC's are in the mix here to
13 develop the affordable housing.

14 CHAIRPERSON WILLIAMS: Thank you. I know
15 Chair Greenfield--

16 CHAIRPERSON GREENFIELD: Thank you. I
17 want to thank you all for your testimony, especially
18 I want to thank CASA, our colleague Council Member
19 Vanessa Gibson had a competing hearing, but she did
20 want us to share that she is a big supporter of the
21 work that you do, and has told us that is a priority
22 for her, so it is a priority for us as well. So thank
23 you.

24 CHAIRPERSON WILLIAMS: Thank you so much
25 for your testimony. Next we have Matthew Chachere,

Maria Hernandez and Maritsa Gonzales, and then I know everybody's been having such a great time, but we will have a last panel after that, and it'll be Anthony Charbeneir [sp?]. Let me find--is Anthony here? Anthony Charbeneir? Okay. Carol Turner, Ithia Lopez [sp?], and Christina Mansfield? Okay. And you will be rounding up for us and ending this wonderful hearing after this panel. Okay, so I think I called three people. There are five. I know one is doing translation. And but there's still a extra person. Is she going to be testifying? Okay. So, everyone can please raise their right hand, who will be testifying? I guess, yes, translators too. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to Council Member's questions? Alright. Thank you. You can begin.

MATTHEW CHACHERE: Good afternoon. I'm Matthew Chachere, Staff Attorney at Northern Manhattan Improvement Corporation, a multiservice nonprofit agency that serves upper Manhattan community for 35 years. A key focus of our work is assisting tenants and keeping affordable inhabitable housing which is under sustained attack in our

communities. I brought some of our clients with me today. As the Mayor's plan points out, a number of-- the number of units subject to protections of rent regulations plummeting for a number of reasons, including deregulation via high rent, vacancy decontrol, the failure of property owners to maintain their buildings. In my view a significant reason for the loss of housing is the failure of government to utilize and enforce the existing laws. In our experience, the overcharging of tenants has become rampant and the norm in upper Manhattan. In fact, I note that while Alma [sp?] Realty's Astoria Cove project received much attention as a possible model for creating new affordable housing. We at NMIC are at this very moment in the middle of litigation concerning rent over charges of 30 tenants at a large apartment building in Washington Heights run by Alma Realty, where the tenants have not had gas service for six months. I'm going to shorten my testimony. The Mayor's plan does call for a better use of subsidized housing resources, but housing code enforcement is very much within the purview of this Administration, and with respect to housing, I regret to say I've not seen a major change in the previous

Administration. While I've been following the proposals to increase fines and penalties against landlords who fail to maintain their buildings, I can say from my experience over the many years that the city is unwilling to seek these fines and collect them. These reforms will remain almost meaningless. I'd like to illustrate by briefly describing the circumstances that befell my clients at 520 West 183rd Street, which was brought up earlier today by Council Member Rodriguez. In the fall of 2012, the building's landlord began a gut rehab of two vacant apartments on the ground floor without bothering to file plans. The landlord removed load bearing walls, resulting in the collapse of my client's apartments. In October of 2012, the city immediately ordered the tenants out of the building and threatened the landlord that if the landlord didn't fix it by November 7th of 2012 the city could elect to correct the conditions itself. That never happened. Nothing essentially happened, and my clients have remained in shelters until this week. The consequences to their lives have been devastating, notwithstanding the complete lack--

2 CHAIRPERSON WILLIAMS: [interposing]
3 Unfortunately, I'm going to have to ask you to wrap
4 up.

5 MATTHEW CHACHERE: Right. Depsite the
6 complete lack of compliance, the city took no action
7 for nearly a year when it--until it filed an HP
8 action, in which it didn't even seek to assess
9 several penalties against the landlord, which would
10 have amounted to 1,500 dollars a day. My client's
11 represented by my office had to bring a separate case
12 to get the penalties that HPD didn't want to enforce.
13 The Mayor's plan talks about--

14 CHAIRPERSON WILLIAMS: [interposing]
15 Sorry, I'm going to really have to ask you wrap up.
16 I know it's a--it sounds like a tough situation.
17 Maybe the--are they going to expound on it some more?

18 MATTHEW CHACHERE: Just could you give me
19 another 30 seconds.

20 CHAIRPERSON WILLIAMS: During the
21 questions, we can ask you--

22 MATTHEW CHACHERE: That's fine.

23 CHAIRPERSON WILLIAMS: Okay.

24 MARITZA GONZALES: [speaking Spanish] My
25 name is Maritza Gonzales. I live in 520 West 190

Taylor [sic] Street, Apartment 24. Okay. [speaking Spanish]

TRANSLATOR: On October 19th of 2012 we were taken out of our apartments.

MARITZA GONZALES: [speaking Spanish]

TRANSLATOR: By HPD, the city and the Red Cross because our apartment was in bad condition.

MARITZA GONZALES: [speaking Spanish]

TRANSLATOR: Since then we've been in a shelter.

MARITZA GONZALES: [speaking Spanish]

TRANSLATOR: The first year, nothing was done for us.

MARITZA GONZALES: [speaking Spanish]

TRANSLATOR: In the second year, Mr. Matthew started fighting for us, and he fought so they can take us out the-- and so he fought so they can take us out of the shelter.

MARITZA GONZALES: [speaking Spanish]

TRANSLATOR: Last week they gave us an apartment in the same building and right now we are moving back in. Thank God.

MARIA HERNANDEZ: Buenos tarde. Mi nombre Maria Hernandez. [speaking Spanish]

2 TRANSLATOR: Good afternoon. My name is
3 Maria Hernandez. I live--

4 MARIA HERNANDEZ: [speaking Spanish]

5 TRANSLATOR: 520 West 181st Street in--

6 MARIA HERNANDEZ: [speaking Spanish]

7 TRANSLATOR: I live in the same building
8 as she lives, and when we found out what she was
9 going through we were worried, but we didn't think
10 that anything else was going to happen to us.

11 MARIA HERNANDEZ: [speaking Spanish]

12 TRANSLATOR: In November of 2013, the
13 same thing happened to us. The workers from the
14 landlord came in.

15 MARIA HERNANDEZ: [speaking Spanish]

16 TRANSLATOR: Telling us that the kitchen
17 and the bathroom was about to collapse and that we
18 had to leave immediately, and obviously we got
19 scared.

20 MARIA HERNANDEZ: [speaking Spanish]

21 TRANSLATOR: They gave us a list with
22 places where we can move in buildings with non-
23 stabilized rent.

24 MARIA HERNANDEZ: [speaking Spanish]

25 TRANSLATOR: [off mic]

MARIA HERNANDEZ: Okay. [speaking Spanish]

TRANSLATOR: They gave us an apartment.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: So that we can move
someplace else.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: We were going to pay 100
dollars extra.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: And we were okay with
moving.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: When I found out they gave
us a list with non-stabilized rent--

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: they got very upset and they
took the keys away from us.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: And we went back to our
apartment.

MARIA HERNANDEZ: [speaking Spanish]

TRANSLATOR: And on November 25th, the city
came in and took us out of the apartment.

MARIA HERNANDEZ: [speaking Spanish]

2 TRANSLATOR: We've been living in the
3 shelter since then, and I think between today and
4 tomorrow we're going to start moving out.

5 MARIA HERNANDEZ: [speaking Spanish]

6 TRANSLATOR: Thanks to the organization
7 where Mr. Matthew works--

8 MARIA HERNANDEZ: [speaking Spanish]

9 TRANSLATOR: with the day to day fight.

10 MARIA HERNANDEZ: [speaking Spanish]

11 TRANSLATOR: They have given us a
12 temporary apartment.

13 MARIA HERNANDEZ: [speaking Spanish]

14 TRANSLATOR: Thanks to the work that he
15 has done.

16 MARIA HERNANDEZ: [speaking Spanish]

17 CHAIRPERSON WILLIAMS: We're going to
18 have to ask you to wrap.

19 TRANSLATOR: This has happened to a lot of
20 families and this is not just what they're doing.

21 MARIA HERNANDEZ: [speaking Spanish]

22 TRANSLATOR: Thank you for listening to
23 us and I hope that you keep us in mind.

24 CHAIRPERSON WILLIAMS: So, thank you very
25 much for coming and giving your testimony. It's not

1 directly, I guess, connected to the housing plan, but
2 I understand why you would come. It sounds like some
3 horrible things are happening. So I just wanted to
4 fully get a better idea of what's happening. Repairs
5 needed to be made and the landlord didn't make them.
6 HPD came in and said that they would make them?
7

8 MATTHEW CHACHERE: Mr. Chair, actually I
9 do think this is directly relevant to the plan
10 because a big part of the plan is preserving housing.

11 CHAIRPERSON WILLIAMS: I see.

12 MATTHEW CHACHERE: HPD said--never asked
13 for the fines. They never brought in a 7A
14 administrator. They didn't even seek the fines. We
15 ended up asking for the fines. You'll read the
16 article that I've attached from Juan Gonzales. The
17 fines at that point would have been half a million
18 dollars. The city said, "We won't do the repairs.
19 Why? Because we don't have the money." So instead
20 of using the fine structure and enforcing it to
21 repair this building, we've been using public dollars
22 to put families in shelters. It makes no sense to
23 me. And if we are not going to aggressively enforce
24 the existing laws that are there and collect the
25 fines, seek the fines, collect the fines and punish

2 landlords who don't take care of their buildings,
3 we're going to continue to hemorrhage affordable
4 housing.

5 CHAIRPERSON WILLIAMS: So who removed the
6 tenants and put them in?

7 MATTHEW CHACHERE: The city of H--the
8 Department of Buildings and the Department of Housing
9 Preservation Development.

10 CHAIRPERSON WILLIAMS: Instead of making
11 the repairs?

12 MATTHEW CHACHERE: That's correct. And
13 they told the landlord, "If you don't fix it by
14 November 7th, we can come in and fix it." So we went
15 to court and we said, "Judge, ask the city, make them
16 do the repairs. They have the power to do so. Put
17 in a 7A. Go collect the fines and use it." And they
18 said, "You can't make us do it." And I said, "You're
19 right, I can't make you do it. If the city doesn't
20 want to do it, we'll continue to spend money and put
21 people in shelters." It's--I just can't describe how
22 cofgas [sic] this gets.

23 CHAIRPERSON WILLIAMS: Council Member
24 Rodriguez is involved?

25 MATTHEW CHACHERE: Yes.

2 CHAIRPERSON WILLIAMS: And he's been--
3 he's been working on the issue, correct?

4 MATTHEW CHACHERE: Yeah, he actually
5 mentioned this in his--as a question to the
6 Commissioner.

7 CHAIRPERSON WILLIAMS: I'm just going to
8 ask the committee to get your information so that we
9 can follow up with Council Member Rodriguez.

10 MATTHEW CHACHERE: Yeah, my address is on
11 the testimony. You should have copies of it there.

12 CHAIRPERSON WILLIAMS: Okay, so we'll
13 reach out and see how we can be helpful through the
14 committee. I'm not sure, I think I've heard Council
15 Member, now that you say, I think he's mentioned it
16 before. I'm very apologetic that you are going
17 through this. This is not how city should be
18 responding. So I want to try to see what we can do
19 to be of assistance, and I know Chair Arroyo has some
20 questions.

21 MATTHEW CHACHERE: Yeah, I just wanted to
22 say, I mean, I really think that part of the plan has
23 to be a focus on enforcement, and I think this
24 committee needs to do an oversight hearing about what
25

2 HPD is doing to enforce the existing laws on housing
3 preservation.

4 CHAIRPERSON WILLIAMS: And actually,
5 someone from HPD is still here listening.

6 CHAIRPERSON ARROYO: Yeah, the guy with
7 the nice tie. Matthew, the discussion around what
8 powers HPD has, and it's complicated, right? We live
9 in a land where property is protected and there are
10 laws that we have to adhere to, and the 7A program is
11 always something that advocates in the housing
12 advocacy world push for us to work with, but it's a
13 very legally intensive process. You don't have to
14 answer this question, I guess for your colleagues in
15 the work of housing advocacy, Urban Justice Center
16 and alike, what are the laws that we need to look at
17 to help empower HPD more as it relates to that
18 process? You don't have to answer the question
19 today, but I think that it begs the question, because
20 it is a very lengthy process. It is not a slam dunk
21 for HPD to accomplish and a 7A administrator. So,
22 what are the things that we should be looking at to
23 empower HPD more? Often HPD is viewed as they're not
24 doing enough, but they have limited power to do
25 certain things because the law is what the law is.

2 MATTHEW CHACHERE: Yes, but and--

3 CHAIRPERSON ARROYO: [interposing] And I'm
4 not here to defend HPD. I have my own issues with--

5 MATTHEW CHACHERE: And Council Member, I
6 think that's a longer discussion that we can have
7 today. I would be pleased to--

8 CHAIRPERSON ARROYO: [interposing] But I
9 think it's a conversation we should engage in,
10 because there's--the 7A administrator program is one
11 of the vehicles that we have to deal with landlords
12 that are not doing the right thing, then we need to
13 look to see how we can make that process less
14 cumbersome and time consuming.

15 MATTHEW CHACHERE: I don't--I have done
16 7A proceedings. In fact, I did one--I intervened in
17 a proceeding a couple of years ago with HPD of
18 another dire building. I mean, all the criteria in
19 this building were there. The existing of hazardous
20 violations for considerable period of time is all
21 that's needed. But I will say, I mean, as the
22 statute requires, but I will say that what I see
23 happen all the time in Housing Court--first of all,
24 if HPD doesn't bring a proceeding, those fines are
25 never even imposed, and even when they do, HPD what I

see settles for pennies on the dollar. So, the fines have essentially no--

CHAIRPERSON ARROYO: [interposing] Okay, Matthew, I just, I think we need to have a sidebar conversation about what are the things that we can do to help HPD or empower HPD more in the process.

MATTHEW CHACHERE: I agree. I absolutely agree.

CHAIRPERSON ARROYO: Because it's not that they don't want to act. The process is very cumbersome.

MATTHEW CHACHERE: Well, we need to understand what the--

CHAIRPERSON ARROYO: [interposing] That's enough.

MATTHEW CHACHERE: barriers are, but I think it's a critical part of this plan.

CHAIRPERSON ARROYO: I agree. I agree.

MATTHEW CHACHERE: It has to be presently--

CHAIRPERSON ARROYO: [interposing] That's why I'm making this suggestion.

MATTHEW CHACHERE: Right.

2 CHAIRPERSON ARROYO: Okay. Thank you,
3 Mr. Chair.

4 MATTHEW CHACHERE: Thank you.

5 CHAIRPERSON WILLIAMS: Thank you for your
6 testimony.

7 MATTHEW CHACHERE: Thank you.

8 CHAIRPERSON WILLIAMS: And I know Ithia
9 Lopez is not here, correct? Aren't you already on?
10 What's your name sir? Sorry? Anth--wait. Anthony
11 Chabonier [sp?]? Carol Turner, Christina Mansfield,
12 and you are from NYC Community Alliance. What's your
13 name? Eddie George. And so can we make sure he has
14 a sign-in sheet? And Mr. Joe Rosenberg. Unless
15 anyone else is planning to testify, that will sadly
16 conclude the panel, sadly. I know everybody's having
17 a good time. People want to stay for another two
18 hours. Can everyone please raise their right hand?
19 Do you affirm to tell the truth, the whole truth and
20 nothing but the truth in your testimony before this
21 committee and to respond honestly to Council Member
22 questions?

23 UNIDENTIFIED: I do.

24 CHAIRPERSON WILLIAMS: You can begin in
25 the order you so choose.

2 JOE ROSENBERG: Thank you. I'm Joe
3 Rosenberg. I'm the Executive Director of the
4 Catholic Community Relations Council. I appreciate
5 you taking me so late in the day. I was here
6 earlier, but I had to leave. I was--I'm the Housing
7 Court Advisory Council and I was conducting some
8 judicial interviews of Housing Court Judges. I
9 represent a not for profit established by the
10 Archdiocese of New York and the dioceses of Brooklyn,
11 the Catholic Community Relations Council. We
12 represent the church on local legislative and policy
13 matters before the Mayoral Administration and the
14 City Council, and I'm pleased to be here to testify
15 in strong support of the Mayor's 10 year 200,000
16 units housing plan. I'm going to provide an abridged
17 version of this. Providing assistance to the poorest
18 and most vulnerable New Yorkers has long been a
19 priority of the Catholic Church. Consistent with that
20 mission is the continuing focus on preserving and
21 developing affordable housing for the residents of
22 our city. During the last several decades, the
23 archdiocese of New York and the diocese of Brooklyn
24 through Catholic Charities, parishes and community
25 based organizations have developed and preserved

thousands of housing units for the working poor, the elderly, the homeless and people with special needs. The church's history of providing housing has been a long and successful one, and the commitment to provide continuing relief remains strong. Housing developed by the archdiocese of New York in the 1970's and 80's was sponsored by local parishes and community organizations and resulted in the construction of more than 1,500 affordable housing units in the lower east side of Manhattan and the West Farms neighborhood of the Bronx. Over the last three decades, 1,700 housing units were constructed by the High Bridge Community Development Corporation in the Bronx, the community based organization affiliated with the archdiocese. High Bridge's commitment continue to this day with current construction of a HUD 202 unit, 62 unit low income project for the elderly on city owned land financed by HUD, New York State, New York City Council and the Bronx Borough President. This is in fact the last 202 being constructed in New York City. I know that Chairman Arroyo, you had mentioned the scarcity of 202 housing, and certainly we applaud the council's efforts to try and to revive this absolutely

essential program. The diocese of Brooklyn has demonstrated an equally strong commitment. In Queens and Brooklyn, progress of People's Development Corporation pop the housing entity of Catholic Charities of the dioceses of Brooklyn has completed more than 3,500 units since 1975. They've been the largest development provider of 202 low income housing for seniors in New York City throughout the 1980's and the 1990's. In addition to constructing 2,300 units of housing for senior citizens, they've also developed 1,000 units of housing for low income families in Fort Greene, Williamsburg and Ocean Hill. There are many obstacles to the preservation and construction of affordable housing. We applaud the fact that the HPD Commissioner Vicki Been is going to relax parking requirements to allow increased density of new construction of affordable housing. We are hopeful that they will also provide forgivable pre-development loans, so obsolete structures on church owned lands and lands owned by not for profits can be demolished and cleared as a prerequisite to developing low income and affordable housing.

CHAIRPERSON WILLIAMS: Going to have to ask you wrap up, please.

2 JOE ROSENBERG: Okay, thank you. We
3 support the plan, and thank you for allowing me to
4 testify.

5 CHAIRPERSON WILLIAMS: Thank you, and
6 thank you for your service when you were Assistant
7 Commissioner at HPD.

8 JOE ROSENBERG: Thank you very much.

9 EDDIE GEORGE: Hi, my name is Eddie
10 George. I'm with NYC Community Alliance for Workers'
11 Justice. Ithia had to leave. She had prior
12 engagements, but we're here to talk about the
13 affordable housing. One thing that didn't hear too
14 much was about some of the contractors that are doing
15 these affordable housing. We represent workers that
16 are being--that work on these job sites that are
17 being exploited, that are being robbed of their
18 hourly wages and that have to be kicking back monies
19 to some of these contractors. NYC got involved
20 because the workers came to us and they were telling
21 us that they were working 40 hours a week and getting
22 paid 30 hours a week. So we started investigating
23 some of the work that this company has done. Eighty
24 percent of the work that this company does is on the
25 affordable housing market, which is some of the

players that you folks might know, like Joint [sic] Construction, Omega, Knickerbocker, Braceda [sp?], you got Madnodknock [sp?] is another player under the West Orange [sic] Project that mentioned about. They forget to mention also that the player that's doing all the subcontracting for all these GC's is US Crane and Rigging, and New York Hoist [sic], now they're going under Urban Erectors. What's happening out there is that there's a class action lawsuit now that started with five workers, and there's about 60 workers that are saying the injustice of the workplace. They're working 40 hours. Are they getting paid? Have to kick back on the prevailing rate jobs, and also the sexual harassment of one of the workers that are currently on strike, which is a female, and this is the kind of subcontractors and GC's that are doing this affordable housing market, and I think that HPD is broken. It has to change. In reference to these contractors that are exploiting these workers. So, I think this whole thing has to be revamped. I'm for affordable housing, but I think the whole system is broken and it's got to be revent [sic].

2 CAROL TURNER: My name is Carol Tuner,
3 and I work with the subcontractor that Mr. George is
4 talking about. I'm a part of the New York City
5 Alliance for--Community Alliance for Workers'
6 justice. And the company is run by the Aringa [sic]
7 family, Thomas Aringa, David Aringa and Michael and
8 Racine [sp?]. I've been with that company for the
9 past 13 years and have got my--got injured on the job
10 and stuff like that, but the most important thing is
11 our wages. We have been--we work 40 hours. We get
12 paid for 35, 38, whatever they feel like. Prevailing
13 wages job we have never--sometimes they paid us, and
14 if they should pay us like for instance at 60 dollars
15 they would pay us 50 or whatever they feel like. And
16 this has been going on for years and the Aringa
17 family is one of the main subcontractor that does the
18 affordable housing in this city here. I work on a
19 lot of them, and it seems like they've been getting
20 away with these practices for years, and I don't know
21 if the Council Members are--who's the Comptroller,
22 whosoever is in charge doesn't look through or have
23 any knowledge of what these--of what these family
24 members is doing to its workers and stuff like that.
25 They have--I'll say, that thing like if you should

complain about what the treatment, they will tell you, "That's the door, you can go through the door and find another job, because you must like it or not." So, I want to know if you good Council Members don't really have a knowledge or anything that is going on with this subcontractor in this city that's doing these affordable housing. Thank you very much.

ANTHONY CHABINIER: Hello, my name is Anthony Chabinier. I also represent New York City Workers' Alliance--I mean, Alliance for Workers' Justice. I'm also a striker against the Aringer Corporations and things. I'm here today, I want to-- I just wanted to implore you to not to hire these type of companies. When you give these subcontractors the ability to work, you're condoning the abuse that they give to us. You're condoning the unsafe practices in which we get hurt and quite possibly civilians are going to get hurt, because the Aringer family does not care about safety. I left because they are putting up certain things that if it were put under proper inspection would not pass, but because the bottom dollars is more important than people's safety, they still do it. They do cosmetic repairs on certain things to cover it up so by the

naked eye it looks like it's good. But at some point, someone is going to get hurt, and it's going to be on all of our heads if we don't do something. When you hire irresponsible contractors, this is the type of thing that's inevitably going to happen. You know? So, I'm here and I'm speaking out. I'm asking you not to do this. Don't give these type of people the money, because it just condones them to keep going on abusing us, to take our wages, to mistreat us. They didn't give us no benefits. They treat us less than animals. That's all I have to say. I really don't have to say no more. So, thank you for allowing me to testify.

CHRISTINA MANSFIELD: Good afternoon. I'm Christina Mansfield from the ICL, the Institute for Community Living. We're a large behavioral health treatment and housing provider. I'm the Senior Vice President of Transitional Services, which includes shelters, children and family programs and HIV services. I very much appreciate the opportunity to talk to you today. What I would like to speak about is the need for more supported housing for families that are headed by parents living with severe mental illness. Our state office mental health

housing is predominantly funded for singled adults. The very limited housing currently available for families headed by parents with severe mental illness requires that the head of household be literally homeless at the time of admission. There's no place in our current housing for a family to receive extra support while remaining intact. The only options are for the family to hit rock bottom of becoming homeless or involving ACS in order to qualify for housing through those systems. We operate a model called Emerson Davis, which is a 16 family treatment apartment program. These families receive--these families must be literally homeless with the parent having severe mental illness upon admission to qualify. These families receive intensive services from a case manager, including linkages to mental health treatment, school support, etcetera. We are very proud of the programming we provide. Emerson's outcomes appear to be significantly better than those identified in the literature. Since January 2009, Emerson has served a total of 46 families, 96 percent of those remain intact. I'd like to share one family's story in particular. A young woman struggling with bipolar disorder received state

office of mental health residential treatment facility services for several years as a teenager. When she became an adult, she moved into an adult community residence. She's very motivated and resilient and took advantage of all the services offered to her. At the age of 19 she became pregnant and wanted to keep the baby. We worked with her to identify family housing options and found that there were none that offered the level of support this young family would need. The only way to get her into housing was for her to give birth, go into a homeless shelter, place the baby with her mother and then move into family housing. I'm very pleased to say the baby's almost one. He is a healthy, happy, beautiful baby. She is a great mom, but without these supports the odds would not have been good for them.

CHAIRPERSON WILLIAMS: Chair Arroyo?

CHAIRPERSON ARROYO: Okay. So, Carol? Interesting name for a guy, and Anthony, right? So, we absolutely hear your requests, and I didn't get your name?

EDDIE GEORGE: Eddie George.

2 CHAIRPERSON ARROYO: Eddie? We don't
3 make the decisions about what contracts are let out
4 for development projects in the city, and it's a
5 process that's done through an HPD process and who
6 developers hire as a subcontractor is not--we're not
7 involved in that process. However, I--what I believe
8 is important is that you make available information
9 to us about who these bad actors are in the industry
10 so that as we work with the agency we can have a
11 conversation with the agency and request the process
12 that they've gone through in selecting developers.
13 We are not involved in that process, but we can
14 absolutely be involved in a conversation asking the
15 very same question. If you know these are bad
16 actors, and you know what their practice is, then why
17 are they getting the contracts to build housing in
18 our city? It's a reward, and that should not happen.
19 And we've heard the stories. Very rarely do we get
20 very direct one on one conversation with individuals
21 like you giving us details about which developer,
22 what subcontractor and what project. So those things
23 are important for us to know. So, when you have that
24 information as an organization and advocates in the
25 work that you do, call our offices. Ask for a

meeting. Sit down with us and tell us who they are so we can then press HPD about it, because if we don't have the information, there's little that we can engage in moving those actors out of the process of building housing and taking advantage of people who live in my district and in Council Member Williams' and Greenfield's districts. Our responsibility is to our constituents, not to the businesses of the city, although, in the building of housing we support small businesses. We support jobs. We support all the other things that come with it, but not at the expense of the exploitation of our city residents.

CAROL TURNER: Thank you very much. And I hope a member of HPD is here this afternoon because one of the biggest, as I was saying, contractor that does the affordable housing is Joint Construction Incorporation, and I know HPD must know those people real good. Might not be one in West Farms also, and BFC that knows them, and they know Thomas Aringer. I know they know Thomas Aringer, and I don't what's going on. I don't know what is going on, but these people have to step up to the plate. They can't just take human lives just like lives of mosquitos or

flies or stuff like that. They don't care about us as my co-worker. I would say it's just about the bottom dollar, and it can't be like that because we are the ones that is out there, and HPD if you is here listening to us this afternoon, I hope you listen keenly to us, real keenly to us, and I'm beseeching you, please, please, listen to us and respect our request. Thank you.

CHAIRPERSON GREENFIELD: HPD actually is here. They have a representative sporting appropriately a five o'clock shadow at 4:40 p.m. As we have representatives from City Planning and NYCHA are all here as well. So, listen, we hear you loud and clear. We appreciate it. We thank you for staying to the end of the hearing. That's why we have been here throughout the hearing as well, to get that feedback. The message has obviously been transmitted, and it was an issue, if you recall, earlier today. It seems like a long time ago, but many Council Members were actually asking about the subcontracting issue and the possibility of having more stringent requirements is something that we will be looking at very closely. So, we thank you very

2 much for your testimony. We thank you for coming out
3 here today.

4 EDDIE GEORGE: And we have all the
5 testimonial, affidavits if you need them from other
6 workers, we have that on file.

7 CHAIRPERSON GREENFIELD: Great. Thank
8 you.

9 CHAIRPERSON WILLIAMS: Thank you for your
10 testimony today. We also have testimony for the
11 record. You can stay there, but you can also leave
12 if you'd like to. Thank you. Jassa Sage [sp?] AIA,
13 Legal Aid Society, Pratt Area Community Council,
14 Tenants and Neighbors, Picture the Homeless,
15 Community Board 12, Urban Justice Center, Make the
16 Road New York. I'm going to ask my colleagues if
17 they have any closing statements.

18 CHAIRPERSON GREENFIELD: I will just
19 thank my two colleagues and the staff for really
20 doing some great work today. This is the first of
21 what we anticipate will be many hearings on this
22 area. The future hearings will be a little bit more
23 focused on particular subjects. Today was really the
24 opportunity to talk about the broader issue. It's an
25 important issue, the Mayor's Affordable Housing Plan.

2 We certainly support it, however, we're very
 3 interested very much in the exact details and I want
 4 to especially thank the folks from the Department of
 5 City Planning and HPD and NYCHA who have stuck with
 6 us for the duration of the day. We appreciate it,
 7 and we certainly look forward to continuing the
 8 conversation and working together with the
 9 Administration to achieve the goals on affordable
 10 housing.

11 CHAIRPERSON WILLIAMS: I just want to
 12 reiterate thanking HPD, DCP and NYCHA for staying,
 13 going on seven hours now in hearing the public
 14 testimony. I, too, believe--we have--it was an
 15 ambitious plan. I think we had an ambitious goal
 16 today. We were unable to get deeply into several of
 17 the issues as I'd hope, but rest assured we will
 18 definitely have, I think, a series of hearings coming
 19 up that are more focused I would ask on our end, I
 20 think that will help the conversation go a little
 21 better. On the Administration end, hopefully you
 22 will have the answers to some of those questions,
 23 specific questions, even if the numbers change in the
 24 future, I think it's things that we need to have
 25 information on now so that we can be better partners

in building this very ambitious plan. So, thank you very much. Thank you for the staff, and thank you everyone for staying here seven great hours. I love you guys very dearly. The committee is adjourned.

[gavel]

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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. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date November 23, 2014