

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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February 9, 2016
Start: 9:47 a.m.
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HELD AT: Council Chambers - City Hall

B E F O R E:
DONOVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS:
Daniel R. Garodnick
Jumaane D. Williams
Antonio Reynoso
Ritchie J. Torres
Vincent J. Gentile
Ruben Wills
Speaker Mark-Viverito
David G. Greenfield
Rafael L. Espinal, Jr.
Brad S. Lander
Ben Kallos
Mark Levine
Vanessa L. Gibson
Margaret S. Chin
Helen K. Rosenthal
Andrew Cohen

COUNCIL MEMBERS:

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I. Daneek Miller
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Rosie Mendez
Inez D. Barron
Julissa Ferreras-Copeland
Stephen T. Levin
Chaim M. Deutsch
Barry S. Grodenchik
Mathieu Eugene
Public Advocate James

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

Alicia Glen
Deputy Mayor
Housing and Economic Development

Vicki Been
Commissioner
Housing Preservation and Development

Carl Weisbrod
Chair
City Planning Commission

Gale Brewer
Manhattan Borough President

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President and CEO
Bedford Stuyvesant Restoration Corp.

Chris Widelo
AARP

Elizabeth Strojan
Project Director
Public Policy
Enterprise Community Partners

Adam Weinstein
President and CEO
Phipps Houses

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

Jonathan Westin
Director
New York Communities for Change

Maritza Silver-Farrell
Coordinator
Real Affordability for All

Madeline Mendez
CASA

Pat Purcell
Executive Director
GNY LECET

Jose Lopez
Director
Community Organizing
Make the Road New York

Alexa Sewell
President
Settlement Housing Fund

Kyle Bragg
Secretary Treasurer
32BJ SEIU

David Karnovsky
Partner
Fried Frank

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

Dawanna Williams
Managing Principal and Founder
Dabar Development Partners

Estela Vazquez
Executive Vice President
1199 SEIU
Representing
President George Gresham

Kayla Rivera
Community Organizer
Coalition for Community Advancement

Judy Montanez
Make the Road Staten Island

FEMALE [**inaudible**]
Resident
Make the Road Staten Island

John Medina
Community Member Leader
Community Voices Heard and
Real Affordability for All Coalition

Jens Rasmussen
Representing
Friends of Bushwick Inlet Park

Delores Green
Passenger Verification Agent
JFK Airport

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

Ted Houghton
President
Gateway Housing

Sydelle Knepper
CEO & Founder
SKA Marin
Chair
New York Housing Conference

Dan Cohen
Housing Partnership

Nachman Caller, Esq.
Borough Park Resident

Rachel Meltzer
Professor of Urban Policy
The New School

Adrien Weibgen
Attorney
Urban Justice Center Community
Development Project

Barika Williams
Deputy Director
Association for Neighborhood and Housing
Development

Cathy Dang
Director
CAA AV Organizing Asian Communities

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

Irving Poy
Representing
Queens Borough President Melinda Katz

Mary Rosario
Member
32BJ

Lamage Tappy
Representing
Loretta Fine and Dolores Stallworth
New York Communities for Change and
Real Affordability for All

John Skinner
President & Political Director
Metallic Lathers and Reinforcing
Ironworkers Local 46

Audrey Sasson
Director
Walmart Free NYC

Pierina Ana Sanchez
New York Director
Regional Plan Association

Jolie Milstein
President & CEO
New York State's Association for
Affordable Housing

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

Michael Brady
Director
Special Projects & Governmental Relations
South Bronx Overall Economic Development
Corporation

Peter Myette
Community Voices Heard

Enrique

Matthew Bond
Representing
Rachel Rivera and Jean Sassine
New York Communities for Change

Jim Compass
New York Communities for Change
Real Affordability for All

Vincent Riggins
Chair
Public Safety Committee
Community Board 5

Alan Washington
Director of Real Estate & Planning
Downtown Brooklyn Partnership

Emanuel Zubaida
Representative
New York City Youth Council

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

Henrietta Lyle
Chair
Manhattan Community Board 10

Mary Crosby
Volunteer
Metropolitan Council on Housing

Andrew Berman
Executive Director
Greenwich Village Society for Historic
Preservation

Victoria Hillstrom
Tenant

Alan Berger
Representing
Prospect Lefferts Gardens
Concerned Citizens for Community-Based
Planning

Betty Sanders
Representing
New York Community Services for Change
and Affordable Housing

Mel Wymore
Chair
Budget Committee
Community Board 7 Manhattan

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

Page Cowley
Co-Chair
Land Use Committee
Community Board 7 Manhattan

Mark Diller
Representing
Community Board 7 Manhattan

Tiffany Lee
Director
Social Justice Ministry

Josette Amato
Executive Director
West End Preservation Society

Amanda Champion
East New York, Brooklyn

Gerry Frohnhoefer
Urban Sociologist
LaGuardia Community College
Representing
Fiorello Homes for the Homeless

Michelle Neugebauer
Executive Director
Cypress Hills Local Development
Corporation

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

Marika Dias
Director
Anti-Displacement Project
Legal Services NYC

Jeanie Dubnau
Representing
Riverside Edgecombe Neighborhood
Association

Christabel Gough
Representing Self

Julius Tajiddin
Founder
Preserve Harlem's Legacy

[gavel]

CHAIRPERSON RICHARDS: Good morning.

Welcome to the public hearing of the Subcommittee on Zoning and Franchises. My name is Council Member Donovan Richards and I am the Chair of the Subcommittee. As a preliminary note, we will be laying over Reso No. 0935, authorizing the granting of telecommunication franchises until the next regularly scheduled meeting.

So I'm going to make this announcement very early on; I'm gonna ask the public to be respectful of all panelists. If you wanna clap, this is the way you do it; everybody's aware of how to do this? Okay. So we're gonna try to run a respectful meeting and I ask everybody to be respectful.

I would like to recognize that we are joined by my fellow Subcommittee members, Council Member Garodnick, also Council Member Reynoso and also Council Member Williams. We are also joined by the Chair of the Land Use Committee, David Greenfield. We also are joined by others who are not on the Subcommittee, Council Member Espinal, Council Member Barry Grodenchik and also Council Member Lander.

2 Today the Council formally begins our
3 review of a zoning text amendment that would
4 establish a Mandatory Inclusionary Housing program
5 for New York City. This has been a topic of much
6 debate and discussion across the city and we look
7 forward to continuing the conversation today. A
8 brief overview of our existing policy I think is
9 helpful in putting this discussion into context.

10 Right now the City's only tool to build
11 affordable housing through zoning is the voluntary
12 inclusionary housing program. Although the voluntary
13 program has helped to promote the development of some
14 units of affordable housing, it doesn't require
15 property owners to build affordable housing. In the
16 almost 30 years since the establishment of the
17 voluntary program, the need for affordable housing
18 has only increased in the city and many of us have
19 long argued that we need a better approach.

20 As we begin our discussion of this
21 proposal, I would like to remind everyone that this
22 is the culmination of a several-month-long public
23 review process; there have been meetings across New
24 York City over the last several months and we have
25 been listening carefully to the feedback. We've

1 reviewed and noted all of the feedback provided by
2 the community boards, borough boards, our borough
3 presidents, City Planning Commission, and many other
4 groups and advocacy organizations and most
5 importantly, the public.

6
7 We recognize that there are a lot of
8 questions about the specifics of this program. We
9 have heard concerns expressed about the need for
10 deeper affordability, worry about the affordable
11 housing not being provided in the same building as
12 the market rate units and anxiety about the hardship
13 waiver becoming a loophole, among many, many other
14 issues. But we also have heard clearly from many
15 communities and activists that we need a stronger
16 policy than the one that we have.

17 While trying to craft a program that is
18 as aggressive and inclusive as possible, we need to
19 be sure that the program remains firmly within
20 financial and legal constraints. These are not easy
21 problems to solve and trying to balance all of these
22 goals will be our challenge. The Council has a City
23 Charter mandated 50-day review period and we intend
24 to take all of the time available to come up with the
25 best possible solutions.

2 I just wanna say that the majority of
3 this Council is supportive of Mandatory Inclusionary
4 Housing; however, we look forward to having a more
5 robust conversation with the administration to make
6 sure that this program is more inclusive for all
7 communities.

8 So before we begin, I would like to ask
9 our Chair of the Land Use Committee, Council Member
10 David Greenfield to read a statement.

11 COUNCIL MEMBER GREENFIELD: Thank you
12 very much, Chair Richards. Good morning Deputy Mayor
13 Glen, Chair Weisbrod, Commissioner Been, colleagues,
14 and members of the public. My name is David
15 Greenfield; I represent the 44th Council District;
16 I'm privileged to serve as the Chair of the New York
17 City Council's Committee on Land Use.

18 I strongly appreciate so many New Yorkers
19 coming out early on such a blustery morning to attend
20 today's hearing on T2016-4068. As Chair of the
21 Committee on Land Use, I am the sponsor of this
22 application, which was submitted to the City Council
23 by the Department of City Planning for an amendment
24 to the Zoning Resolution of the City of New York to
25 create a Mandatory Inclusionary Housing program that

1 would require through zoning actions a share of new
2 housing to be permanently affordable.
3

4 Mandatory Inclusionary Housing is more
5 than a proposed citywide zoning text amendment; it is
6 the centerpiece of Mayor de Blasio's Housing New York
7 plan to build and preserve 200,000 units of
8 affordable housing over a decade. Mandatory
9 Inclusionary Housing is a monumental change to our
10 Zoning Resolution and is in fact a fitting advance to
11 mark the Zoning Centennial in New York, which we
12 celebrate this year.

13 I wanna point out that the Mandatory
14 Inclusionary Housing proposal that we are reviewing
15 today is separate and apart from the Zoning for
16 Quality and Affordability Plan that we will be
17 hearing tomorrow. These are two independent plans
18 with separate concerns related to each plan; today
19 we'll focus on MIH; tomorrow we will look forward to
20 focusing on ZQA.

21 As proposed by the Department of City
22 Planning, Department of City Planning, Mandatory
23 Inclusionary Housing would leverage every significant
24 new residential development project to require the
25 creation of affordable housing; as written, Council

1 Member approving a rezoning would choose between
2 options requiring either 25% of the new housing to be
3 created by the rezoning be affordable for households
4 earning an average of 60% of the area median income,
5 which translates to around \$46,000 for a family of
6 three, or 30% of that housing to be affordable to
7 households earning an average of 80% of the area
8 median income, which translates to \$62,000 for a
9 family of three; these levels of affordability would
10 be achieved through a combination of public and
11 private subsidies.
12

13 Outside the Manhattan core Council
14 Members would have a third option of requiring that
15 30% of new housing be affordable to middle class
16 households earning 120% of the area median income or
17 around \$93,000 for a family of three, but that option
18 would forbid the use of City subsidy.

19 In just a few minutes we're gonna begin
20 hearing more about the proposal directly from the
21 Mayor's Office and departments, as well as what we
22 hope are reasoned critiques and concerns from
23 professionals and citizen advocates from across the
24 city, but first at the outset, let me say that as
25 Chair of the Land Use Committee, my staff and I have

1
2 been working closely with the administration and
3 advocates and with the Subcommittee Chair on this
4 proposal for the last nine months and that I broadly
5 endorse the goals of this plan; we need to build more
6 affordable housing for New Yorkers; we need to change
7 the zoning in order to increase opportunities for
8 affordable housing development in New York. That
9 said, I wanna emphasize, especially because I'm a
10 sponsor of the proposal in the Council, that
11 Mandatory Inclusionary Housing will certainly change
12 from what you will hear described today and that is a
13 direct result of the feedback we have already
14 received and will receive today.

15 In sum, the core of the proposal is sound
16 and yet there are important changes that must and
17 will be made before the Council will approve
18 Mandatory Inclusionary Housing. Many have expressed
19 concerns that the new developments, even the type
20 envisioned by this proposal, will squeeze out current
21 residents and perhaps make housing even less
22 affordable to some New Yorkers; to that end, we take
23 our job extremely seriously to ensure that the plan
24 that we do ultimately approve is appropriately
25 nuanced to address that basic concern and recognize

1 that inaction may very well lead to the exact same
2 result that many fear. We are committed to adopting
3 zoning text that mandates the requisite depth and
4 breadth of affordability and flexibility to meet the
5 needs of a wide range of working class New Yorkers in
6 different neighborhoods.
7

8 Mandatory Inclusionary Housing is
9 designed to be implemented in neighborhoods across
10 the city; one such proposal for East New York will
11 come before the Council next month; as part of these
12 neighborhood rezonings, the administration has made
13 specific assurance on infrastructure upgrades to help
14 mitigate the additional demands placed on senior
15 services, transportation, parks, open space, and
16 other resources as a result of that growth. We look
17 forward to hearing more about the mechanisms for
18 ensuring that such investments are in fact made and
19 that funding is permanently set aside for
20 infrastructure and promises of deeper affordability.

21 In closing, Mayor Bill de Blasio and his
22 administration should be applauded for thinking out
23 of the box to create new affordable housing in New
24 York City; we share those goals; of course the
25

2 devil's in the details and those details are what we
3 will explore today.

4 I'd like to thank all today's attendees,
5 as well as the staff that made this hearing possible,
6 including the Director of the Council's Land Use
7 Division, Raju Mann; Assistant Director Amy Levitan;
8 General Counsel Julie Lubin; Associate Counsel Dylan
9 Casey; the Land Use Project Managers; my own Chief of
10 Staff, Danny Pearlstein, and Counsel Alaina
11 Fitzscheva [sp?]. Thank you very much.

12 CHAIRPERSON RICHARDS: Thank you, Chair
13 Greenfield.

14 So before we begin, here are a few
15 details about the mechanics of today. Our plan today
16 is to give everyone a chance to speak, so we will be
17 here as long as there are people who would like to
18 testify. Hopefully everyone who signed up to speak
19 received a hearing tip sheet; if not, you can grab
20 one at the desk downstairs. Speakers will be limited
21 to three minutes each; we ask you to be courteous to
22 those who speak after you speak and wrap up your
23 testimony when you hear the buzzer. As always, we
24 ask that you please keep your testimony civil and
25 please show respect for the views of others. Also,

1 please make sure you're present when your name is
2 called so we don't skip you. We glad accept written
3 testimony at correspondence@council.nyc.gov. Once
4 again, we gladly accept written testimony at
5 correspondence@council.nyc.gov.
6

7 So first up we will hear from the
8 administration, then Council Members will have an
9 opportunity to ask questions and then we will open
10 this hearing up for the public for public testimony,
11 alternating with the panels of speakers in favor and
12 in opposition.

13 So with that being said, our first panel
14 that we're joined by today is Deputy Mayor Alicia
15 Glen; the Commissioner of HPD, Vicki Been and the
16 Chair of the City Planning Commission, Carl Weisbrod.
17 I will now ask Dylan to swear in the panel.

18 COMMITTEE COUNSEL: Please raise your
19 right hand. Do you swear to tell the truth, the
20 whole truth and nothing but the truth?

21 [collective affirmation]

22 CHAIRPERSON RICHARDS: And just before
23 you begin, I just would like to acknowledge we've
24 been joined by Subcommittee member, Council Member
25 Vincent Gentile and we've also just been joined by

1
2 other council members, Council Member Vanessa Gibson,
3 Ben Kallos, Andrew Cohen and also Council Member
4 Levine. You now may begin your testimony.

5 ALICIA GLEN: Good morning Subcommittee
6 Chair Richards, Land Use Chair Greenfield, members of
7 the Committee and all the New York City residents who
8 have come today to participate in building an
9 affordable city.

10 I'm Alicia Glen, the Deputy Mayor for
11 Housing and Economic Development and I'm joined today
12 by the Chair of the City Planning Commission, Carl
13 Weisbrod and Vicki Been, the Commissioner of Housing
14 Preservation and Development. And I wanna thank all
15 of you for offering and listening to testimony on
16 such an important issue for city's future.

17 While today's and tomorrow's hearings
18 focus on two critical initiatives... [background
19 chanting][pause]

20 CHAIRPERSON RICHARDS: We'll ask
21 everybody to be respectful. [gavel] If we can allow
22 the Deputy Mayor to continue her testimony.

23 [pause]

24 [background chanting]

1 CHAIRPERSON RICHARDS: Alrighty; can we
2 have quiet, please? If not, we'll have to have you
3 removed. Alright, sergeant of arms, you may remove
4 them.
5

6 [pause]

7 CHAIRPERSON RICHARDS: Okay. [background
8 chanting] I'm gonna ask you to remove everyone who's
9 being disruptive, sergeant at arms.

10 [pause]

11 CHAIRPERSON RICHARDS: You may remove
12 them. [background comments, applause] Alrighty,
13 thank you. Deputy Mayor, you may continue once
14 everyone's removed. Thank you.

15 ALICIA GLEN: So while today's and
16 tomorrow's hearings focus on two critical
17 initiatives, the Mandatory Inclusionary Housing and
18 Zoning for Quality and Affordability, it's important
19 that these initiatives are understood within the
20 larger context of the Mayor's Housing New York Plan
21 to create and preserve 200,000 units of affordable
22 housing.

23 Housing is the top expense for most New
24 Yorkers and whether you're a waiter, a health care
25 attendant, a firefighter, housing is fundamental to

1 your life; housing affects your health, your physical
2 and economic security, your education, your job
3 trajectory, and ultimately your very sense of
4 possibility and optimism for the future. So a
5 healthy supply of housing and housing that is
6 affordable promotes the diversity within and between
7 our neighborhoods that has long been what makes New
8 York City great and unique, and that diversity fuels
9 our long-term economic growth and competitiveness.
10 We want to remain a city that long-time New Yorkers
11 can stay in, from the cop who has spent his or her
12 life in a neighborhood that anchors a community or to
13 an artist like Alicia Keys who was born and raised
14 here and went on to sing one of our city's modern
15 anthems. But to do that, to maintain that richness
16 and that diversity, there is no more important work
17 than securing housing that is affordable.

19 But we're in a crisis now where this
20 fundamental building block for people is under real
21 threat for millions of New Yorkers; we are literally
22 in a housing emergency, the Census Bureau has found,
23 with an official citywide vacancy rate of under 3.5%,
24 which is essentially zero. So just simply to keep up
25 with our population growth we expect the City will

1 need to add 160,000 units of market rate housing in
2 addition to the 200,000 affordable units that we will
3 build or preserve under the Housing New York Plan
4 over the next decade. And that number is a direct
5 result of a drastically shrinking supply of
6 affordable housing. New York City has lost about
7 250,000 rent-regulated units since decontrol began in
8 1994 and that's especially tough for the city's
9 families, when rent and utility costs have risen
10 while real wages have declined.

12 Our latest data shows that 56% of rental
13 households are rent-burdened in New York City; what
14 we mean by rent-burdened is that you're spending more
15 than 30% of your income on housing and that number
16 has been getting worse over time; in fact, 33% of New
17 Yorkers are severely rent-burdened, spending over
18 half their income on housing. So that affordability
19 gap is tough not only for our lowest income
20 households, but also for our critical workforce,
21 including our nurses, our teachers and our first
22 responders, and all of them is made worse by growing
23 income inequality in both the highest income and
24 lowest income neighborhoods of our city.

2 With Housing New York we've already made
3 great progress to date on our multipronged strategy.
4 The Mayor has doubled the budget for housing with an
5 \$8.2 billion commitment that will leverage \$32
6 billion or more in other private and public
7 investments and we've also actually added the human
8 capital necessary so that we could actually implement
9 and execute the plan. We are serving a wider range
10 of New Yorkers than ever before, from households at
11 our lowest incomes to our middle class families,
12 whose housing needs are also not being met by private
13 market rate development. We're also focusing on our
14 most vulnerable populations, including the homeless,
15 seniors and individuals with disabilities.

16 Now as we work to create and preserve
17 affordable housing, we're also partnering with law
18 enforcement agencies like never before to prevent
19 tenant harassment and to go after landlords who do
20 practice harassment. We're providing \$76 million in
21 funding for legal assistance for low-income renters
22 and we're offering strategically and proactive
23 assistance to preserve affordable housing in
24 buildings that either don't have regulatory
25 agreements today and/or encouraging program

1 extensions for existing affordable housing and our
2 latest numbers show that we've made tremendous
3 progress. The Mayor recently announced we financed
4 over 40,000 affordable apartments since taking
5 office; that's putting us on track or quite frankly,
6 ahead of schedule and on budget to deliver 200,000
7 units over the next 10 years.

9 A little bit of historical perspective.
10 The last time New York City saw as much affordable
11 housing delivered as in 2015, it was back in 1989;
12 the peak of Ed Koch's housing plan when he was
13 rebuilding huge slots of Harlem and the South Bronx,
14 leveraging the City's vast in-rent [sic] stock of
15 property and the City has never, never, since HPD was
16 founded in 1978, financed as much new affordable
17 construction as we did last year.

18 And how did we do it? We did it by jump-
19 starting delayed projects, by strategically going
20 after preservation deals like Stuy Town and Riverton
21 that had previously gone overlooked by the public
22 sector and by revising our termsheet program to
23 demand more affordable housing for our tax dollars.

24 Now it's easy to get lost in the numbers,
25 but we are moving mountains here; all of that effort

1 translates into affordable housing for more than
2 100,000 people; that's a small city's worth and
3 that's just in 2 years. As the Mayor said, this was
4 our top priority and we have delivered.
5

6 But let's also keep in mind that what
7 we're doing today and across the plan is not just
8 about adding residential density; we're making sure
9 that we align our capital budget with our land use
10 and zoning strategy; a few of you may even remember
11 that that's how the City used to operate during the
12 heyday of city building and we're getting back to
13 that important tradition. We're spending over \$1
14 billion of our city capital through what we're
15 calling the Neighborhood Development Fund and that's
16 for parks, for health care facilities, for street
17 improvements, for community centers and other public
18 amenities in those neighborhoods where we are
19 planning with communities to increase capacity for
20 mixed-income housing. We're also funding the School
21 Construction Authority and the MTA at unprecedented
22 levels to ensure that their five-year capital plans
23 align with the need to accommodate the growth in
24 these neighborhoods. These are the types of smart
25

1 investments that support vibrant, diverse
2 neighborhoods.

3
4 But alongside these efforts we must add
5 new tools to our toolbox to build new affordable
6 housing and the two initiatives up for consideration
7 before the City Council today and tomorrow, Mandatory
8 Inclusionary Housing (MIH) and Zoning for Quality and
9 Affordability (ZQA), will help us do this. MIH
10 guarantees permanently affordable housing when zoning
11 changes encourage more housing. ZQA updates our
12 regulations so that our housing money will go further
13 to create more affordable housing, particularly
14 affordable senior housing, and we will have better
15 designed buildings; something all New Yorkers
16 deserve. These are citywide frameworks but they have
17 been crafted with the flexibility to meet the needs
18 of our diverse communities, each of which is unique.
19 You will hear more details about these initiatives
20 throughout today and tomorrow.

21 We are in a true housing crisis and we
22 cannot just sit by and do nothing as market pressures
23 change the city. We are doing everything we can, but
24 we need the ability to do even more to harness the
25 strength of this market and the popularity of this

1 amazing city. Today and tomorrow we have an historic
2 opportunity to take bold action and enact the
3 strongest inclusionary housing reform in the nation.
4 I urge the City Council to adopt Mandatory
5 Inclusionary Housing and Zoning for Quality and
6 Affordability so we can keep our great city
7 affordable. Thank you.

9 CHAIRPERSON RICHARDS: Thank you.

10 VICKI BEEN: Good morning, Chair
11 Richards, Chair Greenfield.. [crosstalk]

12 CHAIRPERSON RICHARDS: Can just hit your
13 button.. [crosstalk]

14 VICKI BEEN: and.. and.. sorry.. and members
15 of the City Council. For the record, I am the
16 convening Commissioner of the Department of Housing
17 Preservation and Development.

18 The proposed Mandatory Inclusionary
19 Housing program, which I will refer to in my wonky
20 way as MIH, is about creating lasting affordability
21 to ensure the diversity and inclusivity of our
22 neighborhoods. MIH would require that developers
23 provide permanently affordable housing in new
24 developments built in areas rezoned for residential
25 growth. This bold policy, the most rigorous of any

1 city in the nation, will mandate permanently
2 affordable homes in neighborhoods for the first time
3 in our city, and by securing affordable housing from
4 builders, MIH will allow the City to devote its
5 subsidies to finance affordable housing that the
6 private market can't provide; housing aimed at the
7 lowest-income families and our neediest families.
8

9 Today the City does not require
10 developers to provide any affordable housing unless
11 they choose to do so. Through the voluntary
12 inclusionary program we allow builders to increase
13 the height of a building if they provide affordable
14 housing; the voluntary program has produced less than
15 9,000 units over several decades, far fewer than had
16 been hoped for despite efforts to improve the program
17 over the years, and the units built have almost all
18 been focused on families whose incomes are up to 80%
19 of the area median income or about \$62,000 for a
20 family of three.

21 MIH is a new approach; it would mandate
22 that developers supply permanently affordable housing
23 in the city. Builders would be required to provide
24 affordable housing whenever City Planning Commission
25 action, community-wide rezonings or private

1 applications for single lots encourage the
2 development of substantial new housing and that new
3 housing would be permanently affordable. Because the
4 benefits of the rezoning are lasting, we can achieve
5 permanent affordability through ongoing cross subsidy
6 of affordable rents from the market rate units; this
7 means that we will never have to put new city
8 subsidies into the projects every 30 years or so to
9 keep the rents affordable. And further, the new
10 housing would be aimed at a broader range of income;
11 that will ensure that our neighborhoods retain the
12 economic diversity which is so critical to the city's
13 character and competitiveness.
14

15 The proposal allows the City Council and
16 the City Planning Commission to determine which of
17 two basic income options would apply; those options
18 specify the minimum the developer must provide as
19 affordable housing. Let me reiterate, it is a
20 baseline requirement, a floor. The City can and will
21 use its subsidies to supplement that minimum by
22 paying for more affordable housing in the building or
23 by paying for some of the apartments to be available
24 for families with lower incomes than the developer
25 legally and practically can be asked to serve.

1 The two options require the developer to
2 provide either 25% of the units to be affordable for
3 families at an average of 60% AMI, which is about
4 \$46,000 for a family of three, or 30% of the units to
5 be affordable at an average of 80% AMI, \$62,000 for a
6 family of three. It's important to understand that
7 because those are average AMIs, units will be
8 included at AMIs that are lower than the 60% and 80%
9 contained in those options, and I'll explain and show
10 a picture of that in a minute.

12 We have one additional option, the
13 workforce option that the City Council may decide to
14 apply in limited circumstances; that option precludes
15 the use of any City subsidies. We know that market
16 rate housing starts to get built in neighborhoods
17 when developers can charge rents of about \$2300 for a
18 two-bedroom unit, which is affordable to families
19 making around 120% of AMI or around \$93,000 for a
20 family of three. If developers are building in a
21 neighborhood at that level without subsidies and we
22 require that 25% or 30% of the apartments be
23 restricted pursuant to one of the other options, they
24 will either stop building either market or affordable
25 apartments unless we subsidize the affordable ones.

1 The workforce option will allow the market to
2 continue to building housing without subsidies, but
3 at the same time lock in the affordable of some units
4 for moderate income households; that way, if the
5 market surges to much higher rents, we've secured
6 some economic diversity by ensuring that moderate
7 income families will be able to remain in the
8 neighborhood because they have permanently affordable
9 apartments and we can use the subsidies that we've
10 saved to secure other apartments for people with much
11 lower incomes; families of three making just \$23,000,
12 for example, to further ensure the diversity of the
13 neighborhood.
14

15 Which of the two basic options would be
16 appropriate for a particular neighborhood would be
17 identified during the process for each specific
18 rezoning, following the normal land use public review
19 procedures. The basic option and whether the
20 workforce option would also be available to
21 developers would be subject to the approval of the
22 City Council for each neighborhood rezoning or each
23 private application.

24 Let me just take a minute to explain the
25 averaging process; it's an important tool that we've

1
2 built into the proposed program to provide
3 flexibility across neighborhoods, but it has
4 generated some confusion.

5 In practice, under each option affordable
6 units could be created at different income levels to
7 meet the required average. For example, if in a
8 neighborhood the City Council and the City Planning
9 Commission chose option one, 25% at an average of 60%
10 AMI, in a 100-unit building the requirement could be
11 met either by having all 25 units at 60% AMI for a
12 family of three making \$46,000 or it could be
13 achieved on the right-hand side by having 10 units at
14 40% AMI, which is a family of three making \$31,000; 5
15 units at 60% for a family of three making \$46,000,
16 and 10 units at 80%, a family of three making
17 \$62,000; either scenario would fulfill the 25% at an
18 average of 60% requirement. This income mixing
19 provides housing opportunities for families at a
20 broader range of incomes without affecting the
21 building's operating income and the financial
22 feasibility of the project. Under all the options,
23 units priced higher than 130% AMI cannot fulfill the
24 development's requirement and averaging could be

1 achieve in any number of ways; these are just two
2 examples.
3

4 Again, MIH is only one of the two roles
5 we will use to provide affordable housing and to
6 reach families with different incomes; we will use
7 City subsidies and rental assistance, such as Federal
8 Section 8 Vouchers, to further reduce the rents so
9 that families with even lower incomes can be housed.

10 Many people have called for us to require
11 developers to provide housing affordable to even
12 lower incomes under MIH, arguing that the City then
13 would not have to rely on subsidies to attain the
14 affordability that many communities will need. As
15 Deputy Mayor Glen explained, providing housing for a
16 range of extremely low, very low, low, and moderate
17 income New Yorkers is the paramount goal of the
18 Mayor's Housing New York Plan, but MIH is only part
19 of that plan and cannot be asked to do everything.
20 An MIH program that is too onerous for developers
21 will stop rather than foster the new housing that we
22 so desperately need. If our program makes
23 development too expensive, nothing will get built;
24 investors will stop investing in housing and instead
25 put their money into higher yield, lower risk

1 projects; thus, our good intentions will only hurt
2 the people who most need help.

3
4 An MIH program that pushes too far will
5 stop housing production at a time when rents are
6 increasing because we don't have enough housing;
7 stalled housing production would set the state for
8 increased displacement as rent pressures rise. And
9 further, demanding too much from developers will
10 place the program at risk of legal challenges; we
11 would spend years litigating rather than seeing
12 families move into permanently affordable housing
13 soon.

14 Again, we hear, we understand and we
15 sympathize with the call for greater affordability
16 and we look forward to working with the Council to
17 address those calls within the legal constraints and
18 practical constraints we face, but we shouldn't let
19 the perfect be the enemy of the good; we need to
20 craft a program that results in housing, housing that
21 families can move into soon. If we impose
22 restrictions that are not financially feasible or
23 that are so close to the line that they won't work
24 except in the strongest markets or in the best parts
25 of the market cycle, we'll stop production and we'll

1 spend our time and money fighting in courts rather
2 than building badly needed housing. Our families and
3 our neighborhoods need affordable housing now and MIH
4 will establish a feasible, flexible and defensible
5 baseline requirement that developers provide that
6 affordable housing.
7

8 Just how far we're pushing is best
9 illustrated by comparing our proposal to what other
10 major cities are doing. Our proposal would create
11 the most rigorous inclusionary program of any city in
12 the nation by adopting a citywide approach and
13 requiring a higher percentage of affordable units be
14 created.

15 If you look at San Francisco's program,
16 for example, San Francisco's existing program has a
17 12% on-site affordable housing requirement and a 20%
18 off-site requirement, for example, while MIH would
19 require at least 25% permanently affordable housing
20 at a range of incomes to be built.

21 Because the 421-a program was recently
22 suspended, some voices have questioned whether the
23 MIH program can work; it can, although MIH was
24 designed assuming that 421-a or something like it
25 would be in place; HPD has other tax exemption tools,

1 such as 420-c and Article 11, which you all are very
2 familiar with, and those can be used as substitutes
3 for 421-a in many projects.
4

5 Further, the suspension of 421-a is
6 likely to be temporary; it's been in place for 45
7 years, it's lapsed before and it's always been
8 restored. We fully expect that pressure will build
9 for some broad tax exemption for rental housing,
10 because otherwise we will see only condos being
11 built. Until 421-a or a similar program is
12 available, projects seeking tax exemption in areas
13 zoned for MIH will likely have to rely on HPD's other
14 tax exemption programs. The terms of those programs
15 will require that many of those projects serve
16 families with lower incomes and provide more
17 affordability than MIH alone will require.

18 There's no denying that our neighborhoods
19 are changing, they're always changing, rents are
20 increasing and many people are afraid that they won't
21 be able to stay in their neighborhoods. There's no
22 silver bullet to prevent displacement and that's why
23 we have a comprehensive, multipronged citywide
24 approach to ensure that rent increases won't force
25 people out of the neighborhoods they love. MIH is a

1 critical component of that approach because it will
2 help secure new permanently affordable apartments
3 across the city; it works alongside the many
4 financing and subsidy programs we use to create new
5 affordable housing for families at a broad range of
6 incomes and it compliments all the work we do to
7 preserve the affordability of existing rent-
8 restricted housing and to use new tools, like our
9 Green Housing Preservation Program, to bring more of
10 the housing stock under affordability agreements. At
11 the end of the day, the best to prevent displacement
12 is to provide enough housing to meet the City's needs
13 and to lock in the affordability of that housing and
14 ensure that the housing serves the people who have
15 made the neighborhood their home for years or even
16 decades.

17
18 As the Deputy Mayor noted, the City is
19 deploying immediate and proactive measures to protect
20 residents from landlords that engage in harassment to
21 force people to leave apartments they have a right to
22 retain. Already the City is work with tenant
23 advocates and the State Assembly to strengthen rent
24 regulations, we've increased funding for free legal
25 services to tenants, we've joined forces with the

1 State's Attorney General and the Tenant Protection
2 Unit to investigate and bring charges against
3 landlords who harass tenants, and with the help of
4 the City Council, we've secured new laws prohibiting
5 harassing buyout offers.
6

7 MIH will shape the way our city grows for
8 generations to come; it will ensure that new
9 development protects the diversity of our city and
10 neighborhoods, which is critical to making New York
11 City the center of innovation, art, culture, fashion,
12 food, technology, problem-solving, and so much else
13 that we value; that diversity is what makes New York
14 unique and we have to fight at all cost to preserve
15 that diversity. By securing permanent affording
16 housing that serves a broad range of incomes, MIH
17 will help people of all incomes in every neighborhood
18 stay in this great city and work together to make
19 this city even better for all of our residents.

20 Thank you for the opportunity to testify today.

21 Thank you.

22 CARL WEISBROD: Good morning, Chairman
23 Richards, Chairman Greenfield and Council Members.
24 My name is Carl Weisbrod; I am the Chairman of the
25 City Planning Commission. As Deputy Mayor Glen and

1 Commissioner Been have noted, Mandatory Inclusionary
2 Housing is an important new tool that will work
3 together with the many other programs and initiatives
4 of Housing New York.
5

6 I wanna spend a moment describing how the
7 program will be applied through the Land Use Review
8 Process.

9 City Planning and HPD are working
10 together with communities to tailor an affordable
11 housing strategy to the particular conditions and
12 needs of each neighborhood where we are undertaking
13 our planning efforts; this includes strategies for
14 preservation and new construction, planning for the
15 future use of City-controlled properties, and the use
16 of the HPD subsidy programs, as Commissioner Been
17 noted. As part of each housing plan, the City will
18 work actively with the local council member and
19 community to propose an MIH option or options that
20 reflect area needs and priorities. The MIH program
21 will set a floor; not a ceiling for the affordability
22 that can be achieved in neighborhoods through the
23 planning process.

24 For instance, in East New York we have
25 proposed option one, which is; prioritizes reaching

1 lower income families, those earning 60% of AMI on
2 average or for a family of three, \$46,000 a year. On
3 top of MIH, HPD will also be using its ELLA program
4 on City-owned sites and making it available on
5 private sites to produce 100% affordable housing that
6 reaches households with incomes as low as \$18,150.
7 This is all in addition to a broad range of
8 initiatives to protect current tenants and preserve
9 existing affordable housing.
10

11 When a private application comes through
12 the ULURP process, MIH will be applied as part of the
13 holistic consideration of a project through the
14 Public Land Use Review Process. We encourage
15 applicants to reach out early on to local council
16 members and communities to identify and incorporate
17 into their applications the MIH options that will
18 work for the project and address local needs. During
19 public review, the community board and the borough
20 president will have the opportunity to review to
21 propose MIH options and comment on them. The City
22 Planning Commission will take this information into
23 consideration in its vote and the City Council will
24 have the final vote. If an application were
25 submitted and sent to the Council with say option

1 one, the Council could select option two instead or
2 allow either option one or option two; if the
3 proposal includes the workforce option, the Council
4 could remove it, and of course the Council has the
5 option of approving or disapproving the application
6 itself. We will of course continue to work closely
7 and communicate with the Council on applications
8 going through the land use process.

10 What is before you today is enabling
11 legislation that establishes a framework; MIH will
12 only be applied as each neighborhood is rezoned or
13 as any private application adding significant housing
14 capacity is mapped or receives a special permit.
15 When a special permit is reshaping a building; that
16 is, not creating any new floor area; not creating any
17 new housing opportunities, but simply moving around
18 floor area that's already permitted, we would not
19 apply MIH, but where the special permit is creating
20 substantial new floor area, we would apply MIH. For
21 special permits, the specific MIH program options
22 made available to the project will be set forth in
23 the restrictive declaration attached to the permit
24 and this, like the rest of the application, will be
25 subject to the City Council's approval.

2 And with that, Mr. Chairman, we are
3 prepared to entertain your questions and look forward
4 to them.

5 CHAIRPERSON RICHARDS: Thank you, Chair.
6 Alrighty, so we are gonna get right into the crux of
7 what everyone has been speaking about and certainly I
8 wanna let those protesters that were removed today
9 know that we hear them and heard them very loud and
10 clear and we certainly respect their opinion.

11 Deputy Mayor, in your testimony, you
12 cited some data and the data shows that 56% of rental
13 households are rent-burdened in New York City,
14 spending more than 30% of their income on housing and
15 this has been getting worse over time; you said in
16 fact, 33% are severely rent-burdened, spending over
17 half of their income on housing. So census data
18 shows that about half of all New Yorkers in New York
19 City earn below 60% AMI, so I'm wondering, just like
20 many of our colleagues, why aren't we reaching these
21 New Yorkers who are below 60% AMI through this plan?
22 There has not been any real push in this plan that
23 we've seen so far that reaches the very incomes that
24 reflect our communities, such as in East New York;
25 we've seen what happened in Bedford-Stuyvesant; we've

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 46
2 been seeing what's going on in Williamsburg; we've
3 been seeing what's going on in Jamaica; we've been
4 seeing what's going on across communities of color
5 all across this city, residents are being priced out
6 and yet we have a program that does not reach these
7 very populations. So can you explain to the public
8 today and explain to this Council why there is no
9 option that is reaching our communities?

10 ALICIA GLEN: Thank you, Council Member
11 Richards for your question and I'm gonna say some
12 high-level framing for it and then have both of my
13 colleagues chime in.

14 I think the first thing to recognize is
15 that this mayor has been more committed to serving
16 lower income households than in any other
17 administration with respect to our overall housing
18 plan and I think it's incredibly important to know
19 that what we are talking about today is one piece of
20 a much broader plan, but again, for the first time in
21 the history of city housing policy, has made a
22 significant increase in our commitment to serving our
23 very, very low-income New Yorkers and extremely low-
24 income New Yorkers; those of course are terms of art,
25 but you translate it into what real numbers are and

1 we have committed over 20% of our overall production
2 and preservation to be for families who are in the
3 range of, you know, below that 60% or that \$38,000
4 for a family of three range. So as part of the
5 overall plan, we've made a significant increase in
6 our resources and our policy objectives to serve
7 lower income New Yorkers. Is it enough? Of course
8 not, it's never enough; the demand far exceeds the
9 supply, but that is why with every opportunity to
10 increase the number of tools in our toolbox we have
11 to act and we have to act now.

12
13 With respect to MIH, we have in fact
14 crafted a program that will allow lower income
15 families to be served through our averaging. Again,
16 I want to reiterate that the options, whether the 25%
17 of 60 or the 30% of 80 are not in that thread the
18 needle, which so many programs historically have
19 always required, to find people who make just that
20 amount of money. In fact, we were very cognizant of
21 many of the restraints and the problems with some of
22 the other programs set forth, whether you're a
23 nonprofit owner and developer or for-profit
24 developer, to find a very narrow band of people. So
25 the program that we've crafted expressly allows and

1 encourages, quite frankly, the kind of averaging that
2 Commissioner Been referred to. So we fully expect
3 that through MIH we will produce units for families
4 at the 40% of AMI range; again to put that into real
5 life, that's about \$30,000 for a family of three.
6 But it's not the only answer and that's why we're
7 marrying it with all of these other commitments and
8 for example in the East New York rezoning, have
9 already made a commitment through our Housing
10 Department to assure that we have significantly more
11 units of affordable housing for lower and very lower
12 income families. I really want to emphasize; this is
13 the floor, this is not the ceiling and this is the
14 beginning of the conversation and having MIH be that
15 new base case will allow us to use our other tools to
16 continue to drive affordability down; we need to have
17 every possible tool, but we understand that our job
18 in communities like East New York and in
19 neighborhoods all over the city are to constantly
20 push the envelope to get as much affordability as
21 possible.
22

23 CHAIRPERSON RICHARDS: I respect that
24 answer, Deputy Mayor, but this Council and many of
25 our colleagues certainly feel that although this is

1 the floor, we need to get down to the basement and
2 that means that we need options that are going to
3 reach... not speculation, because we can go through
4 speculation in terms of subsidy and we hear the
5 conversation about subsidy. But for example; why
6 aren't we creating more options; why have we just
7 elected these three options; why are there are no
8 options, for instance that at least even mention 40%
9 AMI? So can you go through why we only have these
10 three options and I just wanna be clear that this
11 Council is certainly looking forward to seeing more
12 options in this plan?

14 VICKI BEEN: Okay, let me address that,
15 Chair Richards. I mean these options allow enormous
16 flexibility because averaging can be accomplished in
17 any number of ways, right, and so I've given you a
18 few examples here, but I could give you, you know,
19 dozens of examples of the way in which you could
20 achieve 60% on average income by reaching different
21 income levels. So you know, the example that I've
22 given here shows that we are reaching -- this is a
23 40% AMI level that can be reached by averaging to 60%
24 AMI; an 80% average can also include units that are
25 aimed at 40% AMI. So by allowing averaging, we're

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 50
2 allowing enormous optionality and enormous
3 flexibility across neighborhoods. We're happy to
4 talk about, you know, ways in which to be more
5 specific about that, if more specificity is needed,
6 but I think that the critical thing is; we
7 specifically used averages to give maximum
8 optionality and to allow, you know, us to address the
9 needs of particular communities. But I also want to
10 really go back to the point that while MIH has been
11 structured to reach those deep levels of
12 affordability, it's only part of the plan and what we
13 are able to do through tools like MIH is really to
14 preserve the subsidies that we have so that we can
15 use subsidies to reach those deeper levels of
16 affordability also. So for example, we've introduced
17 our ELLA program, our Extremely Low- and Low-Income
18 Affordability program and while across the city that
19 program requires, for example, 10% of the units to be
20 affordable at 30% AMI, which is \$18,000 for a single
21 person; in East New York, for example, in response to
22 the needs of that particular community, we agreed
23 that where we have private sites, which we do in East
24 New York, that we would require even more aimed at
25 that 30% AMI. So we are using all of our tools to

1 drive affordability down, to get the rents down to be
2 affordable to the folks at the very lowest incomes.
3 But it requires a multiplicity of tools; no one tool
4 can do it all and if we pushed MIH to try to do it
5 all we would run into exactly the kind of financial
6 feasibility that would make it stop production rather
7 than foster the production that we need and we would
8 run into exactly the kind of legal constraints that
9 would just result in litigation rather than housing.

11 CHAIRPERSON RICHARDS: So we challenge
12 that notion that we're going to face gloom and doom
13 in the city; we see builders building all over the
14 city and I don't see any shortage of development;
15 matter of fact, there have been reports that we've
16 seen more building permits in the last decade
17 happening now than ever. But we are worried about
18 what you're saying; you're saying you're gonna
19 encourage developers on these particular averages;
20 why weren't the averages, in particular, spelled out
21 as options if that's the case? So you're saying
22 you're gonna allow 40%, you know, different averages;
23 why aren't these things spelled out into options
24 rather than us speculating on the averages?

1
2 ALICIA GLEN: So Councilman Richards, I
3 think again, as Commissioner Been said, these were
4 illustrative and I think that they do form a terrific
5 starting place for us to continue a conversation with
6 the Council around whether or not we should be
7 thinking about a different formulation within the
8 averaging contracts [sic], so I think that we are
9 open to having those discussions and again, keeping
10 in mind that -- and I'd almost like to put the -- I
11 would like to put the slide back on of the other
12 programs in the other cities -- again, to give some
13 framing for some of the challenges that we faced as
14 we were structuring the program in terms of, again,
15 trying to stay within the constraints of a
16 constitutional framework as well as a financial
17 feasibility. So I think we recognize, and as I said,
18 are more committed than I think any administration
19 has been to serving our very lowest income New
20 Yorkers and we would like to have as many of those
21 extremely low-income New Yorkers get housing through
22 MIH, but we're not relying on it exclusively, so I
23 think to the extent that we can develop a framework
24 where we can assure that some of those folks are

1
2 being reached through this program, we are absolutely
3 open to having those discussions.

4 CHAIRPERSON RICHARDS: So I'm going to
5 respectfully disagree and I think many of my
6 colleagues are going to feel the same way; it's gonna
7 be very hard for this Council to support MIH without
8 options available for our local communities and I
9 just wanna put that on the record today. So we're
10 gonna have to find a way to come up with other
11 options that will reach the communities that this
12 very proposal is going to go through.

13 I wanna jump into emerging market, so
14 this 30% at 120% AMI option is suggested without
15 subsidies and our question is; alright, 30% at 120%;
16 where perspectively are you looking for this option
17 to be placed and also, if we were going to even do
18 this option, even though this Council; I think
19 majority of the body may feel this way, that this
20 option should be eliminated totally, but why didn't
21 you go into deeper levels of affordability with this
22 particular option and a higher level of affordability
23 there? So can you go into the third option a little
24 bit and where do you see this option being utilized,
25 because we hear the word "economic diversity" all of

1 the time, but to many of our residents, you know, it
2 spells displacement?
3

4 ALICIA GLEN: So councilman, I would say
5 the following, again, framing around the 120%
6 workforce option. First of all, again I hate talking
7 about AMIs because we're talking about people, so if
8 you're talking about a family of three making \$90,000
9 a year; that could be a postal worker and a nurse, it
10 could be a cop and a secretary, precisely the kind of
11 housing that was the target of some of the great
12 housing programs that New Yorkers still laud today,
13 like the Mitchell-Lama Program. So I do think we
14 have an obligation as a city to think about serving a
15 very wide range of New Yorkers who are struggling to
16 find housing that is affordable in the private
17 market; I think we wanna be a city where cops and
18 teachers and health care attendants can live in our
19 communities.

20 The second thing I would say is that this
21 is an option that again ultimately is something that
22 you all choose as to whether or not it makes sense
23 for your community; we are not here to tell you what
24 to do; we don't know anything better about your
25 communities than you do; the City Planning Commission

1 will make recommendations based on the data that they
2 have as they do their neighborhood planning and
3 rezoning, but at the end of the day it's up to you
4 guys to choose whether or not that makes sense for
5 your communities. I'll turn it over to Commissioner
6 Been to talk about some of the other structural
7 issues.

9 VICKI BEEN: So the reason that we
10 included the 120 option as an option that the City
11 Council could choose to impose on a particular
12 neighborhood outside of the Manhattan core is that
13 all of our financial analysis showed that in many
14 neighborhoods where the market was just able to
15 provide housing at that level for moderate-income New
16 Yorkers, that if we did impose any requirements, so
17 for example, if we did impose a very low-income ban
18 along with that 120% option, that it would require
19 subsidies. So what we were trying to achieve was to
20 allow that development to go forward, to lock in that
21 affordability for moderate-income families in the
22 city so that when that neighborhood changes, when
23 rents surge that we would have some middle class housing,
24 like the Mitchell-Lama housing that we have around
25 the city and that we wish we had more of, but that we

1 would have that moderate-income housing locked in,
2 that we could use our subsidies to then get the even
3 deeper affordable housing in that neighborhood and
4 that that would provide the kind of economic
5 diversity in a neighborhood; we would have low-
6 income, we would have moderate-income and the market
7 will do what it does to provide higher income
8 housing, so that we would achieve that diversity in
9 those neighborhoods without stopping production. It
10 would be a shame to stop production for those
11 moderate-income families because they are our
12 firefighters, they are our sanitation workers, they
13 are our first responders and they too are facing
14 enormous difficulty making ends meet in New York City
15 as the waiting list and the demand for Mitchell-Lama
16 and other moderate-income housing shows [sic].

18 CARL WEISBROD: Let me just add,
19 Mr. Chairman, that we have at the City Planning
20 Commission determined that this option should not be
21 available in Community Boards 1-8 in Manhattan
22 because we believe, based on the data we have, that
23 throughout those eight community boards there is such
24 a strong market that that market and housing
25 production there can support without public subsidy

1 in many instances the lower options, the 60% or 80%
2 AMI options. And second, even in those neighborhoods
3 where a council member may decide that the 120%
4 option would be available for either a private
5 application or for an area within a community board
6 that should be rezoned, the lower income option at
7 60% or 80% option would also have to be available in
8 that area. So it is not clear to us that in every
9 single case a builder would select the 120% option;
10 we believe that it would be appropriate, but in many,
11 many instances we believe also there will be builders
12 who would wanna select a lower income option as well
13 or instead of.

14
15 CHAIRPERSON RICHARDS: So you know, we
16 know with this option that land values will obviously
17 rise, which means that rents will rise, so I just
18 wanna put on the record that this Council is very
19 concerned about this option and that we are very
20 concerned at where this option would be applicable at
21 and you know, I hear the word economic diversity, but
22 once again, our residents are very worried about
23 displacement and I think that this option certainly
24 adds to that, unless you were to come back to us and
25 say that you are going to apply a deeper level of

1
2 affordability in a higher percentage of a requirement
3 of affordable housing. So I have not heard that in
4 particular in your testimony; I see we're gonna do
5 25% at 60% AMI, we're gonna 30% at 80% AMI, but I'm
6 wondering why we're not at 120% AMI requiring a
7 deeper level of affordability and a higher level of
8 affordability within the plan, so I just wanna put
9 that on the record that we are concerned about this
10 option and that you know, we perhaps wanna see other
11 options, but this option is very concerning to
12 communities like East New York and other communities,
13 so I just wanted to put that on the record.

14 And I'm gonna try to hurry up, 'cause I
15 know my colleagues have questions and we wanna get to
16 the public. I have a few more questions, so I wanted
17 you to go through off-site; on-site a little bit.
18 Can you go through that particular piece of the MIH
19 plan?

20 ALICIA GLEN: Again, on the on-site; off-
21 site -- again I wanna put it in the context of what
22 we're trying to do here, which is to design a program
23 that will actually withstand legal scrutiny, as well
24 as not deter production. So we have an off-site
25 option; based on our experience over the past decade,

1
2 it turns out that about 10% of the production under
3 the voluntary program has been off-site, so I think
4 it also is one of these things where people think
5 it's happening a lot more than it actually is, but
6 the practicalities of the off-site option have
7 actually demonstrated that it's not utilized very
8 often. That said, we do believe strongly that in
9 order to pass constitutional muster and to allow the
10 flexibility we're gonna need in some instances where
11 a particular lot or a particular site could have a
12 challenge, that we are not, again, deterring
13 production. So again, our expectation is that it
14 would be used very rarely, but we do feel that it's
15 an important component of the overall plan.

16 CHAIRPERSON RICHARDS: So how can we
17 assure within this particular off-site; on-site
18 option that developers are not going to oversaturate
19 parts of our communities with market rate housing
20 while moving affordable units to lower income areas
21 in the same board, because we know that with this
22 option that, you know, there is a good chance that we
23 will build segregated communities; how do we ensure
24 that the poor door is not happening and that
25 amenities are similar for both sites and also that

1 the affordable housing is built before the market
2 rate is built. So can you just go a little bit more
3 into detail on that?
4

5 VICKI BEEN: So we share the commitment
6 that all of our programs should work to increase
7 economic diversity in every neighborhood and we
8 believe that the controls that we have on the off-
9 site option will ensure that that happens. So in
10 order to use the off-site option, a developer has to
11 both find land within the same community board or
12 half-a-mile of the generating site and then has to
13 be able to ensure that that housing gets built before
14 any Certificate of Occupancy can be granted for the
15 market rate housing, and what we have heard over and
16 over and over again from developers who do not choose
17 to use that option, is that it is extremely difficult
18 to assemble land that can go together and that they
19 can't take the risk that something will go wrong with
20 the affordable housing component and they'll be
21 sitting with a very high-value market rate building
22 that can't be occupied. So what we hear over and
23 over again is that the way we've structured the
24 program to demand that the affordable housing be
25 completed before the market rate housing can be

1 occupied makes it a program that is difficult to use;
2 right, it is... we have an obligation under the law to
3 provide options for people to provide some
4 flexibility, but this is an option that experience
5 has shown in New York City is very, very difficult to
6 use and we do not believe that it would in any way
7 contribute to segregation or to too many affordable
8 units being built off-site.
9

10 CHAIRPERSON RICHARDS: And amenities will
11 be required to be the same in both buildings or how
12 can you go a little bit into that?

13 VICKI BEEN: So I wanna say the era of
14 the poor door is over; right; we do not sanction poor
15 doors, we forbid any arrangement that would
16 stigmatize the tenants in the affordable apartments.
17 Amenities are not a subject of zoning control; zoning
18 does not mandate or does not concern whether or not
19 there's a gym or other kinds of things; that is not
20 something that we can do through a zoning ordinance.

21 CHAIRPERSON RICHARDS: So where can we do
22 that at?

23 VICKI BEEN: Well we can have that
24 discussion about whether or not that can be
25 accomplished through other ways, but it's not within

1
2 the purview of zoning, so happy to have that
3 discussion about other ways that we could try to
4 achieve that.

5 CHAIRPERSON RICHARDS: So our concern
6 there is that, you know, we don't wanna create a tale
7 of two cities where you have a market rate building
8 that residents have to walk past every day that they
9 can't live in and then we provide this off-site
10 option that is a half-a-mile away from this
11 particular building where resources are more scarce,
12 so we wanna ensure that we are not creating
13 segregated communities with this plan. So I'm very
14 happy to hear that the affordable housing has to be
15 built first, so that's a very good part of the plan,
16 but with checks and balances, how are you going to
17 ensure what sort of oversight is there to ensure that
18 this is happening; what agency will actually oversee
19 this particular part of the plan?

20 VICKI BEEN: Well HPD has to approve, you
21 know, any housing that is using the inclusionary
22 program in any way; DOB of course also is involved
23 through the permitting as well. So we will be
24 working together to enforce those requirements.

2 CHAIRPERSON RICHARDS: So I'm gonna move
3 on; I'm gonna allow my other chair to ask a question;
4 I just had one last question. So you know, we've
5 heard a lot from our communities on local hiring
6 opportunities for construction jobs and long-term
7 employment, while also incorporating higher job
8 standards and we have not heard in this plan how we
9 are going to ensure that local communities first get
10 dibs at the jobs in these communities so that they
11 can actually afford to live in the housing in
12 particular that we are building. So what is the
13 strategy around ensuring that local communities will
14 have an opportunity at local hiring opportunities and
15 higher job standards; we wanna ensure that we are not
16 creating a situation where residents are being paid
17 low incomes and they can't afford to live in the very
18 affordable housing that we're building?

19 ALICIA GLEN: Councilman, we obviously
20 share very much this body's focus and concern on
21 making sure that our housing plan is also creating
22 high-quality jobs and assuring that people in
23 communities are getting an opportunity to work on
24 these jobs. With respect to the zoning matter in
25 front of you, we do not believe that it is legal to

1 impose job standards in a zoning text, but that's why
2 this is not part of the... that's not the end of the
3 story; we've been very focused as we've going
4 neighborhood by neighborhood and as we've been
5 looking at all of our programs, to make sure that
6 every opportunity we have to increase local
7 participation, whether it's through our various MWBE
8 efforts that the Commissioner has been implementing
9 in terms of development and job training, whether
10 it's our increase investment in IBVs [sic] that are
11 often part of our adjacent city's neighborhoods where
12 quality jobs are available to local residents,
13 whether it's our increased funding for job training
14 that is actually skills-based, as opposed to just
15 placement-based. There's a whole series of efforts
16 that this administration is engaging in to assure
17 that we have higher quality jobs for people as a
18 result of the housing plan in general.

19
20 So the other thing I would say is that
21 even though there's nothing in the MIH proposal that
22 would directly related to job standards, again, as
23 private applications are filed, as people have done
24 in the past, there is an opportunity to engage with
25 private applicants with respect to any particular

1 commitments that could be made on a particular site.
2 So nothing we're doing today here would undermine
3 that practice. So I think again, for us, our
4 commitment to quality jobs, our commitments to local
5 hiring, our commitments to MWBE participation in the
6 housing plan again are unprecedented and beginning to
7 show real results, but again, with respect to zoning,
8 it is not legal to implement those types of policy
9 objectives into a land use action, and I'll have
10 Commissioner Been talk about a few of the other ways
11 in which we're addressing the local hiring issues.

12 VICKI BEEN: So in any project that
13 receives our subsidies in any way, we require the
14 developers to participate in the Workforce1 Program
15 so that they are posting all the jobs, that they are,
16 you know, getting applications through the Workforce1
17 Program and that they are interviewing appropriate
18 candidates. We also of course have MWBE commitments
19 where we for the second year have taught a year-long
20 course for MWBEs to better prepare them to
21 participate in our programs; we've issued a request
22 for qualifications for MWBEs and got back a
23 tremendous response and are now trying to tailor
24 specific projects that are the next size that the
25

1 MWBE needs to expand their portfolio and to expand
2 their experience and to target those projects
3 directly to that prequalified list of MWBEs. So we
4 are doing an enormous amount in our programs to
5 foster local hiring, we work with all of our
6 developers to make sure that that is a priority and
7 so we're doing a great deal to make sure that that
8 happens.
9

10 CHAIRPERSON RICHARDS: Thank you so much.
11 I'm gonna now go to Chair Greenfield, but I do just
12 wanna reiterate that we look forward to having a more
13 robust discussion on local hiring agreements and what
14 sort of job standards -- if we're gonna give
15 developers additional density -- and we know that no
16 matter which way we look at these options right now,
17 with 70% market, there is no reason that we should
18 not have a higher job standard for developers who are
19 going to take this program in and especially if we're
20 putting more subsidy there, we're giving additional
21 bonuses to developers; local communities must benefit
22 through this plan. So I'm now going to go to Chair
23 Greenfield and we will then begin questions from my
24 other colleagues. We're gonna keep questions to
25 three minutes for each council member outside of

1 Council Member Greenfield, and I also just want to
2 acknowledge we've been joined by Council Members
3 Mendez, Chin, Menchaca, Public Advocate James,
4 Council Members Torres, Van Bramer, Rosenthal, and
5 Dickens. We will now go to Chair Greenfield.

7 COUNCIL MEMBER GREENFIELD: Thank you,
8 Chair Richards and thank you for highlighting so many
9 of the questions and concerns that many of our
10 colleagues have and I'm gonna keep my questions
11 short; just focus on two particular issues so that we
12 can get to more of our colleagues.

13 The first is; when the Housing
14 Development Corporation commissioned an analysis of
15 the feasibility of the Mandatory Inclusionary Housing
16 program, it was based on an assumption that the 421-a
17 tax abatement program would be in place; in fact, by
18 my count, the word 421-a was used 438 times in that
19 document; that's a lot; now that 421-a has seen a
20 slow and painful death, have there been any
21 additional studies to deal with the loss of 421-a and
22 how does it relate to the feasibility of the program
23 and also, the concern that Council Member and Chair
24 Richards brought up, which is that 421-a requires on-

1 site affordable housing and the loss of 421-a seems
2 like it would discourage on-site affordable housing?
3

4 ALICIA GLEN: Chair Greenfield, thank you
5 for counting the number of times it said 421-a; it's
6 sort of amazing it was 438. That said... [interpose]

7 COUNCIL MEMBER GREENFIELD: In all
8 fairness, you can do a search with a search bar
9 [sic]; I don't want you to think that I literally..
10 [crosstalk]

11 ALICIA GLEN: You didn't act... you didn't
12 actually sit there with a highlighter and do that,
13 okay, good... [crosstalk]

14 COUNCIL MEMBER GREENFIELD: punched it
15 [sic] one by one. That's right, yeah.

16 ALICIA GLEN: that makes me feel... that
17 makes me feel better... [interpose]

18 COUNCIL MEMBER GREENFIELD: Okay.

19 ALICIA GLEN: about how you're using
20 time.

21 I think it is very clear that for us the
22 loss of 421-a right now is not something that we
23 celebrated; as you know, we strongly believed in the
24 reforms that were passed by both the Assembly and the
25 Senate that would've made a substantial change in the

1 way 421-a operated in the city, it would've cut the
2 amount of subsidy that was provided through the tax
3 exemption by a third, it would exclude the luxury
4 condos and it would assure that every single
5 development that receives 421-a would have to provide
6 affordable housing. We feel very strongly that the
7 reforms that were passed were in fact the right
8 direction and we had terrific dialogue with this body
9 on shaping those proposals.
10

11 That said, it was obviously beyond our
12 control what happened; we do believe that there will
13 be a 421-a-like -- who knows what it will be called -
14 - exemption that will resurface as we go through the
15 legislative session, because it's simply too
16 important for the City of New York not to have an
17 ability to appropriately incentivize rental housing
18 when left to the current market conditions we will
19 see a continuing increase in the amount of condo
20 production and we have a strong policy objective that
21 we share with you to try to rebalance that housing
22 market to make sure we're building rental housing.

23 That said, clearly we did not, given the
24 timing of the study and just the recent lapse of
25 421-a, which was just three weeks ago, have an

1
2 opportunity to commission a study to examine what the
3 ramifications would be, because we also strongly
4 believe that this is a temporary succession of the
5 exemption.

6 That said, we have also spent a huge
7 amount of time looking at the various projects that
8 were developed using 421-a and overlaying that with
9 the tools which we still have in our toolbox; namely,
10 the 420-c program and the Article 11 program, and I'm
11 sure Vicki will give you more of the exact
12 statistics, but I believe close to two-thirds of the
13 projects that received 421-a over the past -- 5
14 years, decade -- [background comments] exactly --
15 could have been eligible for the other benefits, but
16 because those are not as-of-right, the developers
17 tend to go to an as-of-right formulation.

18 So we are very, very aware that 421-a is
19 something that we think is incredibly important for
20 stimulating rental housing; it's also in many
21 respects the tool that will encourage the most mixed-
22 income housing in some of our highest income
23 neighborhoods. So we share people's concern about
24 not having that exemption available and we will
25 continue to advocate for it. But that is also why

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 71
2 doing something that's in the City's control and
3 doing it today is that much more important, because I
4 don't think anyone of us wanna go and see a brand new
5 condo building being built in the middle of Brooklyn
6 and there not being any affordable housing part of
7 that. You and we have an opportunity to actually
8 make sure that we're capturing the strength of the
9 real estate market and assuring affordable housing
10 for New Yorkers; that's something in our control. So
11 while we continue to analyze and to work to deal with
12 the larger issue around rental tax exemptions, we
13 have to do something now, there are a thousand people
14 applying for every single unit of affordable housing
15 in New York City; I don't wanna sit by and watch a
16 100-unit condo building be built when that could have
17 25 or 30 units in it for low-income people and think
18 that we didn't do it because something happened in
19 Albany.

20 VICKI BEEN: Let me just very quickly
21 say; we have other tools, as you know -- 420-c for
22 tax credit properties and Article 11 -- and when we
23 went back through our portfolio for the last 2 years,
24 it turns out that only about 2,000 of the new units
25 relied on 421-a and could not have relied on those

1 other exemptions as they were structured and they
2 could have been structured differently to take
3 advantage of those. In Article 11, of course, the
4 City Council retains the ultimate decision-making
5 authority and if in Article 11 you want to specify
6 that it's on-site, you know, not off-site, that's
7 something that can be done, so I think that addressed
8 your... [interpose]

10 COUNCIL MEMBER GREENFIELD: And when you
11 refer to those tools, obviously [bell] it changes the
12 economics of those deals as well; right... [crosstalk]

13 VICKI BEEN: Uhm-hm.

14 COUNCIL MEMBER GREENFIELD: so in
15 fairness -- and by the way, Deputy Mayor, I certainly
16 agree with you; we're here and we, as you know, on
17 project after project that you've sent us, we're
18 actually the ones who've increased the affordability
19 of those projects, so we certainly concur; at the
20 same time it's important for us as the Subcommittee
21 and the Committee just to evaluate the details of the
22 proposal and that's certainly an area of concern.

23 And I will just say that I do not have the same
24 oracle abilities that you have to predict what will
25 happen in Albany; I've long since given up on doing

1 that, but if you have that ability, I certainly would
2 appreciate the Powerball numbers as well for later
3 today.

4
5 I do wanna just focus on one final issue
6 and then turn it over to my colleagues, and that is
7 that throughout the testimony and throughout
8 different times, the administration and you, Deputy
9 Mayor have said that the City has budgeted \$8.2
10 billion over the next 10 years to subsidize the
11 Mayor's Housing Plan, as well as an additional
12 \$1 billion in infrastructure, and while those
13 commitments are out there generally, there are folks
14 who have concerns about the specific assurances of
15 how we're going to know that we're gonna have that in
16 the long-term. I'll give you a perfect example in
17 fact that came to me via Twitter and that is -- it's
18 @NYCGreenfield, in case you were curious, Deputy
19 Mayor; I think you're @DMAliciaGlen -- and
20 [background comment] and thank you for following me,
21 and specifically an example goes back to 2005, when
22 there was citywide rezoning; it was a different
23 mayor, so I'm not asking you to defend it, I'm just
24 using it as an example [background comment] where
25 Bushwick Inlet Park was promised to be redeveloped

1 under a plan and that never occurred and so certainly
2 as we go forward the zoning text amendment speaks
3 specifically to the Mandatory Inclusionary Housing
4 proposal but doesn't give specific assurance as to
5 the money that's going to be invested and what
6 assurances do we have between the \$8.2 billion for
7 affordable housing subsidies as well as the billion
8 dollars for infrastructure that in fact that will
9 happen and more importantly, that that would actually
10 hold true for future administrations. I know this
11 may come as a surprise to you, Deputy Mayor, but when
12 new administrations come in, sometimes they do things
13 differently than old administrations and they may try
14 to change and tweak deals; it's not that that would
15 ever happen in your administration, of course.

17 ALICIA GLEN: So I appreciate the breadth
18 of your question and I'll focus on really two pieces
19 of it. One is on the money that the Mayor has put
20 into the capital plan for housing and let's just, you
21 know, actually talk about the \$8.2 billion; the vast
22 majority of that money is City capital that's in our
23 five-year and then our ten-year capital plan, so you
24 can easily follow whether or not we are taking money
25 out of that or putting money into that; I suspect

1 that over time there may be more money put in; not
2 less money and obviously then the transparency of
3 that is through the budget process itself and I think
4 that it's pretty clear there is no mayor that is more
5 committed to when they're making hard choices about
6 what to do in a budget than Bill de Blasio is in
7 respect to making sure that we fully fund the capital
8 plan that we've already announced. The other parts
9 of the money in the capital plan, there's a small
10 amount of money, not a small amount of money; it's
11 decent size of money that's from the Housing
12 Development Corporation's corporate reserves; again,
13 HDC is a 100% committed to reinvesting all of their
14 balance sheets back into projects; this is not the
15 case with the vast majority of housing finance
16 agencies across the country. So the \$8.2 billion, it
17 is very easy to follow the money and we are
18 absolutely committed to maintaining that level of
19 funding and if appropriate, given the broader fiscal
20 challenges or opportunities over the next 6 years, we
21 may in fact add more capital to it.

23 With respect to the issue of how do I
24 know that we're actually gonna get what we say we're
25 gonna get, when you say you're gonna build a park or

1 do a community center, you're absolutely right; this
2 is about reestablishing contract with community and
3 what prior administrations did or didn't do, promises
4 they made and then didn't keep, there's no point in
5 dwelling on that; we can only focus on what we are
6 going to do. [background comments] So again, we
7 have a billion dollars set aside in order to make
8 actual investments in real time in the areas in which
9 we are rezoning; it's not the only money we have for
10 infrastructure to support housing, but it is a
11 special dedicated fund and we too wanna make sure
12 that there's absolute transparency and accountability
13 with the promises we make so that communities
14 actually believe we're not just talking the talk;
15 we're walking the walk. So I'm gonna have Chair
16 Weisbrod discuss how we're going to actually track
17 that in a way so that we don't have any of the
18 challenges that we faced in the past.

19
20 CARL WEISBROD: I'd like to say first,
21 just building on what Deputy Mayor Glen said; the
22 billion dollar Neighborhood Development Fund is
23 really a new idea and a new approach to how we budget
24 and how we allocate capital dollars for neighborhoods
25 that are anticipated to get increased density, and

1 one of the reasons we've established it is not simply
2 to say oh here's another billion dollars in our
3 capital budget, but to keep those funds separate from
4 the natural desire of every single capital agency to
5 focus on its individual priorities and to really
6 assure that those funds are protected against normal
7 budgetary changes over time. We can't assure what
8 the capital budget's going to be like 10 years from
9 now or 8 years from now; that's more within your
10 control, frankly, as the appropriating body, but what
11 we can do is identify and keep funds totally
12 separate.
13

14 And with respect to monitoring our
15 commitments and assuring that they occur, we do know
16 that the Council has suggested, many people on the
17 Council have suggested some sort of monitoring
18 program where we provide ongoing reports so that we
19 can and you can and communities and neighborhoods can
20 see whether we are meeting our commitments and we
21 think that's part of the transparency of government
22 and something that we should do.

23 And let me just say one final thing,
24 which is that we are working at City Planning much,
25 much more intimately with the Office of Management

1 and Budget on the creation of the City's ten-year
2 capital strategy to assure that the ten-year capital
3 strategy is not only a financial document, but is
4 also a planning document and this is really the first
5 time in 40 years, since the old charter where City
6 Planning and the Office of Management and Budget
7 created the ten-year capital strategy together that
8 the two of us have been working in such an intimate
9 fashion on assuring that our ten-year capital
10 strategy is a planning document as well as simply a
11 financial instrument.

13 COUNCIL MEMBER GREENFIELD: So we
14 certainly would agree with that and I commend you on
15 that; I've actually heard from community boards that
16 City Planning has reached out for the first time to
17 get their input on capital plans; I'm just... I'm
18 flagging it and I wanna be clear; it's not accusatory
19 in any way shape or form, because it's not something
20 that you've done or quite frankly that you could've
21 done yet, it's simply that there is a history
22 unfortunately of prior administrations engaging in
23 what's known as the bate and switch and that concerns
24 many people in the communities where they get these
25 grand promises and then those promises are not

1 delivered and so I wanted to flag that and just to
2 mention that going forward we do need to have the
3 structure in place where we have that confidence
4 where our communities know that what in fact was
5 promised to them is in fact what they're going to
6 get.
7

8 CARL WEISBROD: Yes and we certainly
9 understand that that has happened many times in the
10 past; you cited one instance, but it's not the only
11 instance, to be sure and we really want to do
12 whatever we can to assure that that doesn't happen in
13 the future; that we do get held accountable for what
14 we've promised and that to the extent we possibly can
15 in the budget tere an appropriations process we can
16 protect the commitments that we've made.

17 COUNCIL MEMBER GREENFIELD: Thank you,
18 Chair.

19 CHAIRPERSON RICHARDS: Thank you. We're
20 gonna now move on and in the interest of time we're
21 gonna ask members to really keep their questions
22 short because we wanna get to the public, but we're
23 gonna now allow Council Member Espinal to ask
24 questions; he has East New York, which is one of the
25 neighborhoods up first with this proposal.

2 COUNCIL MEMBER ESPINAL: Thank you,
3 Mr. Chairman; I actually had a whole bunch of
4 questions, but you guys asked all the hard-hitting
5 ones, so I'm gonna keep it to one question.

6 So I do represent East New York and it's
7 kind of a follow-up to David Greenfield's question
8 and it comes to commitments and promises to funding
9 and as it was pointed in presentation, MIH is
10 intended to work with public subsidies in some
11 neighborhoods to produce deeper affordability and how
12 can we be assured we will get to those lower AMIs and
13 why should communities trust these promises; anything
14 could happen, de Blasio could become Vice President
15 in 2 years or a funding can dry up for that matter,
16 you know, how can I go back to my community and say
17 listen, this money will be there and we will receive
18 these subsidies to make sure that the AMIs reflect
19 the East New York community?

20 ALICIA GLEN: Well I appreciate the
21 question and the editorial comments; obviously we
22 cannot solve for every eventuality on the planet, but
23 I think that what we have done is put into place a
24 framework that will actually allow communities to
25 understand up front what the agencies can and are

1 prepared to do, recognizing of course, as we all
2 know, that the City doesn't own every piece of
3 property, right; there are things we control and we
4 have an unprecedented commitment and track record to
5 making sure that when we control a piece of property
6 we will, as has been said here before, drive a hard
7 bargain and make sure that we are getting every
8 affordable unit and for the widest range of New
9 Yorkers as possible. So I think it's safe to say
10 where we control the asset, you can pretty much put
11 that in the bank. I'm gonna have Commissioner Been
12 talk specifically about what we've crafted for your
13 East New York zoning because again, it's an
14 interesting issue, right, we have some assets that we
15 control and then there is our ability to work with
16 you, to work with community leaders, to work with
17 property owners in that rezoning area to assure that
18 the City is proactively engaging in a comprehensive
19 housing strategy and I'm gonna have Commissioner Been
20 just briefly touch on how we're gonna accomplish
21 those goals.

22
23 VICKI BEEN: So I think that East New
24 York is a good example where we are being so
25 specific, working with the community; as you well

1 know, we've produced a very detailed, very specific
2 plan for how we're going to approach the issue of
3 affordable housing in East New York, exactly what
4 kind of AMIs and families we're going to be able to
5 reach; we've talked about the specific land that we
6 control and we've talked about exactly what we're
7 gonna do on that land, so I think the specificity and
8 the interaction back and forth in coming up with
9 exactly those specifics can help assure you that, you
10 know, it's gonna be very hard to dodge something like
11 this and we're completely committed to making it
12 happen. We've, you know committed that in East New
13 York everything that we finance will be a 100%
14 affordable. We estimate, as you know, that that will
15 mean that at least half of the new construction in
16 East New York ends up being affordable; we've
17 promised [bell] to use a specific subsidy program
18 that gets to those 30% AMI levels, we've promised
19 that on specific pieces, on every piece of publicly-
20 owned land that we control that we'll do even more
21 than that, 15% of the units will be at those very,
22 very, very low incomes. So I think the specificity,
23 the transparency, the ability to track all that; the
24 fact that we have the site right now, we're ready to
25

1
2 go; once MIH and East New York rezoning are passed,
3 we'll get in the ground.

4 ALICIA GLEN: Councilman, I wanted say
5 one [background comment] point also, which was my
6 point about which assets we control versus the
7 private market. One of the reasons why it is so
8 important that we adopt a Mandatory Inclusionary
9 Housing policy is that in East New York then, even if
10 we don't own the property, the builder/developer will
11 have to provide affordable housing; this is why we
12 need all the tools we have, because but for the
13 actions we're asking you to approve over the next few
14 weeks and months, then somebody could just pull a
15 permit on a privately-owned site and choose to build
16 a building with no affordable housing in it. So by
17 having both the HPD programs proactively working in
18 the neighborhood and making commitments to do
19 particular projects married to this tool that we have
20 to work on private sector sites, the aggregate will
21 be so much greater than what we have right now.

22 COUNCIL MEMBER ESPINAL: Yeah, I guess I
23 want to just finish up and just say I trust the
24 administration's intention, I trust all of yours
25 intentions in making sure that that funding is there,

1 but I guess my concern is the commitment is made,
2 which we trust, but what if some sort of change
3 happens in the administration; what happens then;
4 what if the new mayor or whoever is in charge decides
5 not to follow through through this commitment, that's
6 my concern.
7

8 ALICIA GLEN: I mean I think that the
9 answer to that lies in the appropriation process.
10 You, I'm sure, will be here in some form over the
11 next decades, one hopes, whether you're sitting in
12 that seat or other folks here are gonna be sitting in
13 seats, right, 'cause everybody will continue to
14 participate in the government process; at the end of
15 the day we can only control what we control in the
16 six more years that Mayor de Blasio will be here;
17 then it will fall on the next generation of
18 legislators and people who care about these issues to
19 make sure that the money stays in the budget and that
20 those political priorities are then manifest in the
21 way in which we do our budgeting process; right, we
22 can't guarantee in perpetuity, but we can set a
23 framework and a new base case for what the city will
24 look like and that's why having the budget piece is
25 incredibly important, but also having the statutory

1 framework now to assure that at least 25% of those
2 units will be affordable; that is something that then
3 is a game changer that far transcends any political
4 point in time or any administration.
5

6 CARL WEISBROD: And let me just add,
7 Council Member, that one obviously extremely
8 important element of Mandatory Inclusionary Housing;
9 once it's mapped, it's binding forever; that can't be
10 changed unless that goes through its own subsequent
11 land use action; again with the final determination
12 taking place at the Council. So that piece of it is
13 forever locked in stone.

14 CHAIRPERSON RICHARDS: Thank you. We're
15 now gonna go to Councilman Garodnick.

16 COUNCIL MEMBER GARODNICK: Thank you very
17 much Mr. Chairman and I have three minutes so I will
18 be fast.

19 I wanted to focus for a moment on this
20 BSA special permit that's included in here. For the
21 benefit of those who are not familiar with it, the
22 program here establishes a special permit which would
23 allow the Board of Standards and Appeals to in
24 specific situations reduce the amount of affordable
25 floor area required or to waive the affordability

1 requirements altogether and I think it's important
2 we're discussing the nuts and bolts and every
3 requirement here and there, but the idea that we have
4 an opportunity for BSA to simply waive these
5 provisions is something which I think is of concern
6 to a lot of us. It may be required to ensure the
7 viability under law, but let's just talk about the
8 circumstances in which BSA should be allowed to grant
9 this waiver; it's a pretty big loophole if it's not
10 carefully delineated. You wanna address that?

12 ALICIA GLEN: I'm gonna have Chair
13 Weisbrod address that issue.

14 CARL WEISBROD: Thank you, Council
15 Member. Yes, we heard a lot during the public review
16 process about a BSA special permit and so at the
17 Planning commission we tightened it up and made it as
18 specific as we possibly could. So first, you're
19 right, constitutionally and legally there has to be a
20 mechanism if someone can't under any set of
21 circumstances build pursuant to MIH, but what we've
22 made clear is that in applying for a BSA permit,
23 first an applicant would have to demonstrate that the
24 only reason, the only reason that they could not
25 comply with MIH is because of the MIH requirements

1 themselves, and even that would be subject to a
2 review where HPD itself could be involved in the
3 review and we have written in HPD's ability to be
4 involved in the review to assess whether in fact the
5 applicant could comply with the MIH requirements and
6 if the applicant could not comply totally with the
7 MIH requirements, the BSA would be only enabled to
8 provide the minimum relief necessary to assure that
9 they could proceed. So we believe under those
10 circumstances we have created a hardship process that
11 is as narrowly drawn as we possibly could make it; we
12 believe that there will be a very limited number of
13 cases; when there are those limited number of cases
14 they will be granted the minimum relief possible and
15 we've also written in to assure that HPD, which has a
16 great deal of knowledge in this area, will be able to
17 assess whether the hardship is in fact meritorious.

18
19 COUNCIL MEMBER GARODNICK: Mr. Chair; let
20 me just... [bell] one last question, since my time is
21 up here. The policy goals, we obviously all share
22 the desire to make this mandatory and to lock in what
23 otherwise was a volunteer program and as Commissioner
24 Been noted at the outset, was not necessarily all
25 that successful over a couple decades. We also wanna

1
2 make sure that the mixed-income housing is really,
3 you know, at the forefront that people are living
4 together across economic levels, so the question that
5 I had is really just a follow-up on the off-site
6 question, which is; as we go through this process,
7 does HPD or the Mayor or City Planning Commission
8 have any objection to the idea that we would perhaps
9 enhance the obligation to a developer who is opting
10 for off-site affordability if they were to do that as
11 opposed to doing it on-site?

12 VICKI BEEN: We're certainly willing to
13 discuss that.

14 COUNCIL MEMBER GARODNICK: Thank you,
15 Mr. Chair; I think that's something we should look
16 at, because for all the goals that we all share here,
17 I think that the idea that we would create an
18 additional obligation if a developer went that route
19 I think is a good one. So thank you.

20 CHAIRPERSON RICHARDS: Thank you. And I
21 just wanna share that goal and just put on the record
22 that, you know, we are certainly supportive... I'm
23 supportive of MIH and we definitely look to
24 continuing to work with the administration as we move
25 forward.

2 We've been joined by Council Members
3 Dickens, Miller, Crowley, Treyger, Rodriguez, and
4 Johnson and next we will go to Council Member Reynoso
5 for questions.

6 COUNCIL MEMBER REYNOSO: Hello Deputy
7 Mayor and team; thank you guys for being here; this
8 is a good day, hopefully, to get a lot of information
9 out to the public, which I think is what's most
10 important, so I'm gonna ask three questions so that I
11 can maximize my time here and concise answers are
12 always welcome.

13 Rezoning that happen in manufacturing
14 districts should be a 100% affordable housing; I
15 would like to hear your opinion on that, given that
16 their conversions are leading to pennies on the
17 dollar when it comes to rezoning. Off-site
18 development has perpetuated discrimination in a lot
19 of neighborhoods, especially in neighborhoods like
20 Williamsburg, where we're drawing lines not only by
21 whether you're rich or poor, but also whether you're
22 a person of color or not, so really wanna have a
23 conversation about what type of city we wanna live in
24 and what we look like, where an entire waterfront is

1
2 mainly white and rich and the entire inland is mainly
3 poor and people of color.

4 And then I'm also concerned about the
5 breakdowns of affordability and this is for you,
6 Commissioner Vicki Been; we talked about 25
7 apartments for households with let's say 47% income
8 and then you have the breakdowns. What we're talking
9 about here is; with 25%, we're looking at less than
10 what, 7% for people that are making less than let's
11 say \$31,000 a year. In Bushwick, for example, 40% of
12 the community makes 40% or less and I'm supposed to
13 approve a plan that's gonna make it so that only 7%
14 of those Mandatory Inclusionary Housing apartments
15 are for the people in Bushwick, and I just don't see
16 that lining up. So... [clapping, background comment]
17 so I just really.. I wanna be helpful here because I
18 think MIH is an amazing idea and I wanna get to a
19 place where we can get it done, but I can't sell 7%
20 in Bushwick; manufacturing is something that's
21 extremely important to me, because economic
22 development matters, so if you're gonna do it, I
23 expect a lot back, so I wanna make sure that it gets
24 mandated into doing that.

1 rezoning areas are actually in M zones relative to
2 prior rezonings; to the extent that M zones are in
3 fact rezoned as part of the ongoing process with all
4 of you where there could be a few blocks that simply
5 [bell] just don't make sense and could be more
6 effectively utilized as mixed-income housing, that's
7 why mandatory is so important; a change of use will
8 automatically invoke Mandatory Inclusionary Housing,
9 so again, that minimum 25% or 30% will be set aside
10 permanently for affordable housing.
11

12 Lastly, on the averaging point, I think
13 we spent a lot of time on this and I'll have Vicki go
14 through it again. The notion here is not that what
15 we put up on the screen is the formula, right; it's
16 an example of how averaging can work and so we are
17 absolutely open to discussing other opportunities to
18 have averaging more reflect in a particular
19 neighborhood what needs to be accomplished to reach
20 those lower income households.

21 And finally again, as Commissioner Been
22 said, MIH is just one piece of the package and what
23 we're doing for example in
24 East New York, as we move forward with that plan, is
25 to constantly drive those incomes down even further

2 to reflect the demographics of the neighborhood. So
3 again, MIH is setting a new floor, it is not the
4 ceiling; we share your concern and commitment to make
5 sure we're using our subsidies to target our most
6 needy families in particular neighborhoods, but
7 without MIH we have less tools, less dollars, less
8 opportunity to build affordable housing.

9 CHAIRPERSON RICHARDS: Thank you, Council
10 Member Reynoso. We're gonna now go to Council
11 Member... [interpose]

12 COUNCIL MEMBER REYNOSO: Wait, I think... I
13 think Commissioner Vicki Been was gonna... [crosstalk]

14 CHAIRPERSON RICHARDS: We're gonna ask
15 you to wrap up.

16 COUNCIL MEMBER REYNOSO: we wanna allow
17 her an opportunity...

18 VICKI BEEN: Yeah, I mean yeah, again,
19 the averaging does allow the Council Member of any
20 community to work with that community and try to
21 figure out what's best for that community and I
22 really wanna reiterate that it's one tool, it is a
23 tool that makes developers pay for that 7% so that I
24 can pay for much more using my subsidies.

25 [background comments]

2 CARL WEISBROD: I just do wanna observe,
3 Council Member, as you know, we've been working with
4 your office; what we're seeing in Bushwick is really
5 an example of the problem and challenge we're facing,
6 because we are facing and seeing Bushwick changes
7 today without mandatory inclusionary zoning that is
8 exacerbating the problem we face and that's one of
9 the reasons why we look forward to working with you,
10 but I think the challenges we all face in Bushwick
11 today are exactly why we're here.

12 COUNCIL MEMBER REYNOSO: Right and I just
13 wanted to get to those deeper levels of affordability
14 and you can read the report that I actually put up on
15 my website, on the City Council website that I think
16 really speaks to why I think MIH can work, but those
17 deeper levels of affordability are something that we
18 just need to get to. Thank you. Thank you, Chair.

19 CHAIRPERSON RICHARDS: Thank you.
20 Council Member Williams.

21 COUNCIL MEMBER WILLIAMS: Thank you,
22 Mr. Chair. Thank you for your testimony. I first do
23 wanna say that I believe that this plan is further
24 reaching than has gone before and I understand is the
25 best in the country, which is all true and I thank

1 Mayor de Blasio for pushing the conversation. I do
2 wanna say that we do expect more and we have a right
3 to expect more; we supported this administration
4 because we expected that it would push the envelope;
5 it hasn't done that yet, so -- I mean it's pushing
6 the envelope, but it hasn't gone to where we need to
7 be; I think my colleague said the devil's in the
8 details; the way this plan is currently written, the
9 devil's actually in plain sight and he's not hiding
10 and the real problem is we just haven't got into the
11 affordability that we need to get to. We talk about
12 San Francisco; yes, we're better than San Francisco,
13 I hope we are because their housing crisis is
14 probably worse than ours, so I don't know if that's
15 the best one to compare it to.

17 I asked to be the Housing Chair because
18 we focus a lot on correcting policing, which I think
19 we should, but if we don't correct all the other
20 issues that these communities are dealing with, all
21 the work we do in the policing will be naught because
22 when it comes to housing in particular, comes to
23 education, these communities are suffering and the
24 confluence of all those problems cause decades and
25 generational poverty and issues and so it's very

1 important that we get this right. I'm gonna ask a
2 few questions and you can answer whatever we have
3 time to answer.
4

5 We talked about some of the subsidies
6 that will help achieve deeper affordability; I'd like
7 to know what some of those subsidies are, if you can
8 help explain it. Also, let us know why you think
9 future administrations will use the same tools that
10 you are using now, since we're depending on them to
11 fill the gaps that we're in. I'd like to know how
12 many units you expect to be at 40% or below in the
13 plan that you have. Also, is there any plan to make
14 sure that the pressure that will be caused will help
15 prevent displacement of unregulated tenants through
16 lease denials and the upraising of the rents that are
17 there? And also, I know in the Financial Feasibility
18 Study there were some places that weren't included;
19 can you explain how you went about the Financial
20 Feasibility Study; what areas were absent, certain
21 areas in the city; what impact they may have had in
22 the Feasibility Study? But make no mistake about it,
23 we have to get down to 30% of AMI in order for this
24 to work or else we're not gonna achieve what we need
25 to achieve. I agree; without this plan, we won't get

1 to where we need to in the Mayor's ambitious Housing
2 Plan and I want to support it, I think it's a great
3 framework, but we haven't gotten what we need and so
4 it's very important that we do so. Thank you very
5 much.
6

7 ALICIA GLEN: Thank you, Councilman
8 Williams. Also, I see that The Speaker has joined
9 us, so welcome to your own chamber.

10 There was a lot of -- in your questions
11 -- I hope I got many [sic] of this right. Again, I
12 wanna reiterate that the Mandatory Inclusionary
13 Housing program is one of the levers in the overall
14 plan and again, we have made an unprecedented
15 commitment to serving more very low and extremely
16 low-income families and Commissioner Been did talk
17 briefly about two of our signature programs that
18 we've just rolled out, one known as the ELLA Program,
19 the other as the SARA Program, which for the first
20 time in the City's history has targeted all of the
21 affordable housing to be at a range between 30% of
22 AMI and just up to 60% of AMI, and gain, those are
23 the kinds of financial commitments that are embodied
24 in the \$8.2 billion that the City has put into the
25 plan and we would hope that future generations of

1 City leaders would share the same commitment; as I
2 said, we can't predict the future or bind the future
3 with respect to appropriations, but hopefully all of
4 you and all of us will continue to fight for
5 affordable housing as a major priority of New York.
6

7 We also agree and have discussed today
8 and are more than happy to continue discussion with
9 you as to whether or not [background comments] having
10 the averaging component of the MIH program needs to
11 be discussed at more depth and more specifics with
12 you as we move forward, to see whether or not there
13 are some opportunities to make changes there to
14 ensure that the MIH component of the Housing Plan
15 also serves our very lowest income New Yorkers.

16 We also share a deep concern that folks
17 at 30% of AMI are in desperate need of housing; one
18 of the tragedies that the City and cities across the
19 nation face is that there has been no increase in the
20 allocation of Section 8 by the federal government in
21 decades; a 30% AMI person, a person who makes \$18,000
22 a year, it is virtually impossible to house that
23 person without ongoing rental assistance. The City
24 has put their own resources into rental assistance
25 programs and we continue to fight tooth and nail

1 every day to get more resources from the federal
2 government, but we obviously share this concern and
3 that's why being able to leverage whatever private
4 sector money we can, like through MIH, and getting
5 the developer to pay for 25% or 30% of the units
6 allows us to use our precious dollars to target those
7 folks who can't be served. So again, this is part of
8 a broader housing plan and with respect to obviously
9 our deep concern that nothing we do should actually
10 exacerbate any problems with respect to harassment.
11 I'm gonna have Commissioner Been just talk briefly
12 about some of our specific initiatives around
13 harassment in the neighborhoods.
14

15 VICKI BEEN: So specifically concerning
16 harassment, we have multiplied by ten times the legal
17 services that we are providing to tenants throughout
18 the city; the Mayor has put aside \$76 million for
19 legal services for tenants who are facing eviction or
20 feel like they are facing harassment. We are working
21 across law enforcement agents with the Attorney
22 General, with the Tenant Protection Unit to be sure
23 that any landlord who is practicing harassment is, if
24 appropriate, brought up on criminal charges and we've
25 already had indictments in that effort, and we'll

1
2 continue to work on that; we have proactive where we
3 are using data analytics to identify landlords who
4 are suspicious or who are engaging in suspicious
5 patterns of behavior and sending our code enforcers
6 in there on a very regular basis to make sure that
7 we're watching what's going on; we are out there in
8 the communities, we have, for example, a van in East
9 New York that's working with the community, with
10 residents of the community to make sure that we're
11 watching and make sure that we're preventing any
12 harassment that may be going forward. So we are
13 using a wide variety of tools to prevent harassment
14 and of course the best way to prevent displacement
15 and the harassment that sometimes leads to
16 displacement is to increase the supply of housing to
17 meet the needs and that of course is what MIH is all
18 about.

19 COUNCIL MEMBER WILLIAMS: Thank you.

20 Just for consistency, we tellin' a family of three
21 [sic]... [crosstalk]

22 CHAIRPERSON RICHARDS: You gonna... [sic]

23 COUNCIL MEMBER WILLIAMS: for 18%... at... at
24 30... [crosstalk]

2 CHAIRPERSON RICHARDS: Can I ask you to
3 wrap up?

4 COUNCIL MEMBER WILLIAMS: 30% that... yeah,
5 that's \$23,000. I want to actually, Mr. Chair, there
6 was a couple questions; hopefully you can follow up
7 on them, was how many they believe would be at under
8 40% and what their Feasibility Study was like and
9 what was left out. But I thank you very much for the
10 comments; I think you only did one option and showed
11 us what it would be; I think that was because the
12 other two would be really bad, if you look at
13 examples of those; we've gotta get below 40% and 30%...
14 [interpose]

15 CHAIRPERSON RICHARDS: I'm gonna ask you
16 to wrap up.

17 COUNCIL MEMBER WILLIAMS: No, that's it.
18 Thank you, so hopefully, Mr. Chair, you can get the
19 answers to the questions I want answered.

20 CHAIRPERSON RICHARDS: Absolutely.
21 Council Member Torres; then Gentile.

22 COUNCIL MEMBER TORRES: Thank you,
23 Mr. Chairman. Obviously I'm supportive of MIH, I see
24 it as the best tool that we have for creating
25 permanently affordable housing, but like my

1 colleagues, I have concerns about some of the
2 details; I think you'd agree that there are strong
3 real estate markets in the city where the core of
4 [sic] subsidies from the market rate units are strong
5 enough to support deeper levels of affordability and
6 so I'm wondering, rather than have one standard or a
7 set of standards for the whole city, why not subject
8 the hottest real estate markets in our city to deeper
9 levels of affordability? Why not bury the standards,
10 depending on the dynamics of the market?
11

12 ALICIA GLEN: So I think that, as we've
13 said, we appreciate obviously your understanding of
14 how incredibly important it is that we do MIH now.
15 We're also crafting a program that has to withstand
16 cycles, and so I think that it's very difficult to
17 pick a point in time and say that a particular
18 project could in fact absorb another x percent of
19 affordably housing; there will always be cases where
20 a particular building you could argue at a point in
21 time could have supported more than the minimum 25%,
22 but the program was really crafted to make sure that
23 in fact it could withstand real estate cycles,
24 because today's hot, hot market could be a not so hot
25 market 5 years from now and if the requirement were

1 so rigorous that it made that building unlikely to be
2 developed, then we would have in essence thrown the
3 baby out with the bath water. Again, as we've said,
4 the perfect can't be the enemy of the good because
5 this is a program that's gonna be applied to large
6 swaths of neighborhoods; it's not a building by
7 building negotiation; that would in essence be
8 untenable at the scale at which we do business in the
9 City of New York and continues to make us grow. So I
10 do agree that that on any given day you could say we
11 should have had more in that particular building.
12 But we do think, and when you look at the framework
13 nationally and also putting it into the context of
14 the constitutional framework and the case law, which
15 is quite new on these topics, going beyond where we
16 went we felt, a. could have a potentially detrimental
17 impact on markets over time, and b. might not
18 withstand legal scrutiny. So that's why we were very
19 clear about things like in the 25% option you can't
20 get subsidy, right, those days are over, because that
21 building can afford to permanently subsidize those
22 units.
23

24 COUNCIL MEMBER TORRES: And I wanna just
25 squeeze in another question. I know the

1 administration's claim is that MIH sets a floor, but
2 my question -- I think there's a question mark about
3 whether it sets the ceiling of affordability; I'm
4 wondering about the impact of MIH on the negotiating
5 flexibility the council member currently has with
6 ULURP, so [background comments] if I select option A,
7 which is 25% or 60% of AMI and then could I get the
8 developer to agree to an additional 25% of affordable
9 housing units and could those affordable housing
10 units be ran into the zoning text as well?

12 CARL WEISBROD: This really [bell],
13 Council Member... [background comments] thank you for
14 the question. This does not change the Council's
15 negotiating posture in those private applications at
16 all. As you do now, you... a developer who's seeking a
17 private application generally comes to local council
18 member to seek his or her approval and that will
19 continue and you are ultimately the final arbiters of
20 whether that is successful or not, so this does
21 create a floor, not a ceiling because you're starting
22 from a mandatory regimen that's gonna require 25% or
23 30% and as we've seen with many private applications
24 that have been brought to this Council by this
25 administration, there have been changes when those

1 private applications have been brought and I am
2 certain that will continue in the future.

3
4 COUNCIL MEMBER TORRES: Thank you,
5 Mr. Chairman.

6 CHAIRPERSON RICHARDS: Thank you. And
7 just wanna say we've been joined by our Speaker,
8 Melissa Mark-Viverito and also Council Member Barron
9 as well. We will now go to Council Member Gentile.

10 COUNCIL MEMBER GENTILE: Thank you,
11 Mr. Chairman and thank you to the panel and the
12 placement of the tables prevents me from actually
13 seeing the panel, but I apologize for that. But
14 Commissioner, thank you also, all of you, for
15 explaining the flexibility in the MIH and the
16 averages, because I think that's important to
17 understand and get across, so thank you for that.

18 But Commissioner Been, I just had a
19 question about one of the options, particularly the
20 workforce option that you described. You said that
21 it would preclude the use of City subsidies, but at
22 the same time lock in the affordability of the units
23 for moderate income households; I'm not clear how you
24 accomplish that without the City subsidies in that
25 option.

2 VICKI BEEN: So the idea behind that
3 option is that there are some emerging markets that
4 can support what is essentially moderate income
5 housing right then, that if we would require them to
6 go down further that that would not be supportable,
7 but that they can support that 120% option. So if we
8 lock in 30% of those homes as permanently affordable,
9 even as the neighborhood changes and rents increase,
10 that 30% of the homes are locked in at that moderate
11 income level. So we've seen many, many neighborhoods
12 across the city where it was moderate income and then
13 it very quickly changes to higher incomes; this would
14 lock that in, just like the Mitchell-Lama Program and
15 other middle-income programs have done across the
16 city.

17 COUNCIL MEMBER GENTILE: And that would
18 be a locked-in requirement without the subsidies?

19 VICKI BEEN: Yes, absolutely, without any
20 governmental assistance whatsoever. Because it's
21 part of the zoning; we can require as part of the
22 zoning.

23 COUNCIL MEMBER GENTILE: Oh okay, now I
24 see... [crosstalk]

25 VICKI BEEN: Okay?

2 COUNCIL MEMBER GENTILE: now I see.

3 VICKI BEEN: So... [crosstalk]

4 COUNCIL MEMBER GENTILE: So let me, in
5 the time I have remaining, let me just be absolutely
6 sure that the MIH would only apply to those areas
7 where the community board has approved an upzoning or
8 in the case of a private application at a particular
9 site; am I correct about that?

10 CARL WEISBROD: Yes.

11 COUNCIL MEMBER GENTILE: Okay, so those
12 are the only two... [interpose]

13 CARL WEISBROD: But let me just put it
14 another way, Council Member. Yes on the private
15 applications; yes on the rezoning when additional
16 housing capacity would be provided.

17 COUNCIL MEMBER GENTILE: Okay, so you
18 have that other aspect; it has to have substantial
19 housing created as a result of the upzone?
20 [interpose]

21 CARL WEISBROD: Additional housing,
22 right.

23 COUNCIL MEMBER GENTILE: Additional
24 housing. Okay, great. Thank you.
25

2 CHAIRPERSON RICHARDS: Alrighty, we're
3 gonna go to Public Advocate James and then to Council
4 Member Lander.

5 PUBLIC ADVOCATE JAMES: Thank you,
6 Mr. Chair. First of all, I was gonna start with a
7 prepared speech, but I just started reading some
8 online email and one development that just came to my
9 email talks about a development which was City-owned
10 land where that families making up to \$200,000
11 qualify for affordable units in Fort Greene,
12 [background comments] \$200,000; it just went online.
13 It also indicates that the number of single units is
14 relatively minimal and that individuals earning up to
15 \$200,000 are eligible for the affordable housing.
16 Now in fairness, this was under Mayor Bloomberg, but
17 it just came online and so the question really is;
18 "for some having permanent affordable housing
19 available to such high income brackets, it really
20 renders it silly, not in line with a vision of
21 affordable housing." That's a quote from the article
22 from Brownstoner.com.

23 So in my former life as a City Council
24 Member, as you know, Downtown Brooklyn was the first
25 rezoning; there were a number of promises, there were

1
2 few products; they used a rezoning tool; they argued
3 to me back then that they could not provide deeper
4 affordable housing because it would result in a
5 taking, a legal challenge; that it would slow down
6 the pace of development and that it would require
7 deeper subsidy. We all know what is happening in
8 Downtown Brooklyn, great displacement all through
9 Downtown Brooklyn, no benefits to the residents of
10 Downtown Brooklyn, primarily the residents of
11 Ingersoll-Whitman, Farragut, Atlantic Terminal,
12 Lafayette Gardens who wanted to move out of public
13 housing who had doubled up and tripled up; all of the
14 low-income residents are no more in Downtown
15 Brooklyn; where are they? They're in South Carolina,
16 North Carolina; Virginia. Why? They send me
17 letters. We cannot allow this to continue; this was
18 the subject of my inauguration speech and I am still
19 hearing the same arguments that the previous
20 administration made to the City Council then; it is
21 unacceptable and I reject this argument that all of a
22 sudden we're going to face all of these legal
23 consequences. And so I say to you today, my concern
24 is that your plan does not reach those families
25 making less than \$40,000 a year who represent the

1 vast majority of residents who are doubled up,
2 tripled up and facing displacement. Lastly, there
3 are no anti-harassment tenant protections in this
4 plan; this new project requires a deeper affordable
5 option for those families who earn 30% of AMI; the
6 unit sizes are too small; we really need to provide
7 additional affordable housing. Over the past 12
8 years there's been a net decrease of 400,000 units in
9 the city renting for less than \$1,000 a month,
10 according to the Comptroller. The biggest drop was
11 in apartments renting for between \$600 and \$800 a
12 month, a loss of \$240,000, roughly corresponding to
13 the income [bell] levels between 25% and 35% of AMI.
14 I know that in East New York and other parts in the
15 city where there's possible rezonings that private
16 developers are speculating; I know that there's not a
17 lot of public assets left; we're going to rely
18 heavily on private property owners and therefore I am
19 hoping that this administration works with this City
20 Council to provide more healthy capital funds so that
21 we could provide for deeper affordable housing and
22 that we do not have any more of this "affordable
23 housing" in Fort Greene which represents this bam
24 downtown development, which is an absolute disgrace
25

1 in a neighborhood which has drastically changed
2 racially, economically and otherwise and it has
3 political consequences as well. So I'm just really
4 outraged at this email that I just received for this
5 "affordable housing" and I would hope that this
6 administration would come forward and work with this
7 City Council to put more money on the table and to
8 also put in place some anti-harassment tenant
9 protections in the City of New York and change and
10 increase unit sizes for families, people with
11 children. I have no comments [sic], just a
12 statement. Thank you.

13
14 CHAIRPERSON RICHARDS: Thank you, Public
15 Advocate. I wanna acknowledge we've been joined by
16 Council Member Ferreras-Copeland and also Council
17 Member Corey Johnson. I will now go to Council
18 Member Lander and then Dickens.

19 COUNCIL MEMBER LANDER: Thank you,
20 Mr. Chair and thank you to the panel. I'm very
21 pleased to be here today; as you know, I've been
22 fighting for Mandatory Inclusionary Housing in this
23 city for 15 years and there's people that have been
24 fighting it for a lot longer than that; advocates
25 sought a mandatory affordable housing program in 1983

1 and didn't get it and won a voluntary program that's
2 only been modestly successful because too few
3 developers, surprise, volunteer. Same thing happened
4 in 2003, we fought for a mandatory program; we got a
5 voluntary program, a few units got created, but far,
6 far too few. So I'm thrilled to be here with the
7 administration putting a strong mandatory program on
8 the table; I do want to acknowledge it is the
9 strongest in the country; I really especially like
10 the permanent affordability aspects; we want to do
11 better, we wanna do as well as we possibly can, but I
12 will disagree with my good friend, Council Member
13 Williams; this is envelope pushing; we've gotta keep
14 pushing it just as far as we can, but it's a
15 significant program and I don't wanna miss the chance
16 that we missed in 1983 and 2003 to lose the
17 opportunity to guarantee affordability.

18 All that said; of course there are places
19 that we can make it better; you hear a lot -- the
20 desire for deeper affordability. I want to associate
21 myself with the point of view shared by Council
22 Member Richards that option C should be eliminated; I
23 supported the middle income option in 421-a and we
24 want middle income units in the city, but we cannot
25

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2 have whole neighborhoods mapped with a Mandatory
3 Inclusionary Housing option where literally no low-
4 income units are required; I appreciate your giving
5 Council Members a lot of say, but it cannot be up to
6 local elected officials to decide to exclude low-
7 income people from neighborhoods.

8 But my question surrounds preservation.
9 You've done a lot, as you said, to address issues of
10 harassment and displacement, but I think we all know
11 we need to do more; new affordable units area
12 fantastic, but permanently preserving existing
13 housing in the neighborhoods that are being
14 gentrified with families living in them today who
15 want to stay while their neighborhoods improve is
16 something that we need to give more attention to.
17 The current voluntary program has two policies that
18 really focus on preserving existing housing. First,
19 an option under which developers can achieve their
20 inclusionary obligation by permanently preserving
21 existing units, many times at risk, as permanently
22 affordable housing with the people in them today and
23 it maintains its affordability permanently into the
24 future. And second, as the Public Advocate alluded
25 to, this Certificate of No Harassment requirement

1 that's mapped in several of the neighborhoods where
2 inclusionary zoning has been mapped in the future
3 that makes sure developers aren't emptying buildings
4 through illegal harassment and displacement by
5 requiring that certificate before any new Department
6 of Buildings permit is granted. So in addition to
7 all the ways you've increased resources for legal
8 services and other efforts to fight harassment and
9 displacement and help when a rent freeze from the
10 RGB, why not do more to include [bell] those tools --
11 the off-site permanent preservation and Certificate
12 of No Harassment -- as we focus investment in low-
13 income communities; wouldn't we benefit from
14 including these tools in the mandatory policy as
15 well?
16

17 VICKI BEEN: So thank you for your
18 support and leadership on this program and on the
19 idea of mandatory inclusionary over decades; I very
20 much appreciate and have learned an enormous amount
21 from working with you.

22 So let me address a couple of things.
23 First of all, I just wanna say we agree that 200% of
24 AMI is not affordable housing; we do not count that
25 as affordable housing; that is a deal that was done

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 115
2 in the prior administration; there was no opportunity
3 for us to change that; that would not take place
4 under this administration.

5 Second, why do we not have a preservation
6 option? We have found the preservation option under
7 the voluntary program really impossible to work with.
8 First of all, I wanna say we completely agree with
9 your emphasis on preservation and we are out there in
10 every neighborhood, not just preserving what is
11 already in an affordability program, but bringing
12 existing housing into those programs through things
13 like the Green Preservation Program, about which you
14 were also a leader in many ways. So we are working
15 across the neighborhoods to preserve as much as we
16 can; the problem with putting it into something like
17 this is that making sure that we're requiring as much
18 of the developer -- 30% preservation units can
19 involve, you know, replacing a boiler that might cost
20 \$5,000 a dwelling unit, as opposed to the kind of
21 resources that would go into actually producing an
22 entire new construction unit. We've tried very hard
23 to develop formulas, but because every preservation
24 project is very different and needs very different
25 things, the chances for manipulation and for really

1 getting out of the obligation very cheaply, compared
2 to what would be required for new construction has
3 just proven too difficult to enforce. So we would
4 rather have this program provide new construction and
5 that frees up our dollars to use for even more of the
6 preservation, using tools, by the way that give us a
7 great deal of leverage at the end of any
8 affordability period. So when we use our loans that
9 have a balloon payment at the end; that provides a
10 lot of leverage to essentially achieve permanent
11 affordability.
12

13 On the Certificate of No Harassment, we
14 have looked very hard at the Certificate of No
15 Harassment; it is a difficult program to really
16 enforce because it slows up basically every
17 development project by four to six months and it
18 achieves very, very little. In the entire history of
19 the Certificate of No Harassment program, we have
20 denied very few certificates. We would rather put
21 our resources into preventing harassment up front
22 than trying to cure it at the end; we're devoting
23 enormous amounts of resources and we're delighted to
24 talk with the Council about anything else that we can
25 be doing, but we are trying to prevent harassment up

1 front; we think that's a much more effective way to
2 use our resources than to try to obscure [sic] it
3 after the fact.

4
5 COUNCIL MEMBER LANDER: Mr. Chairman,
6 might I ask one brief follow up? [sic]

7 CHAIRPERSON RICHARDS: Very brief.

8 COUNCIL MEMBER LANDER: In response to
9 Council Member Garodnick, you acknowledge that
10 because off-site new construction might cost less, it
11 might make sense to require a bit more of it and
12 that's something that we'll continue to have a
13 discussion about, but I just don't understand for
14 preservation why you couldn't do the same time. If
15 we could permanently preserve a unit with a \$5,000
16 investment to fix up that boiler, then let's do ten
17 times as many units as we would create through new
18 construction and preserve an awful lot of deeply
19 affordable housing permanently in exactly the
20 neighborhoods that we're talking about them being at
21 risk.

22 VICKI BEEN: Well I'm happy to continue
23 the specifics of that discussion, but again, it's a
24 very retail, building by building and it's just... we
25 would rather use our resources to do that

2 preservation rather than fight with developers about
3 exactly how much has to be done to basically replace
4 what would be one unit of new construction.

5 CHAIRPERSON RICHARDS: Thank you. We're
6 gonna go to Dickens; then Kallos. And we're gonna
7 ask everyone to limit their questions to one question
8 because we really wanna get to the public. Thank
9 you... [crosstalk]

10 COUNCIL MEMBER DICKENS: Thank... Thank you
11 so much, Chair and thank you, Chair and Deputy Mayor
12 and Commissioner for being here this morning.

13 Quickly, across the city AMI off-site
14 housing, senior housing, the funding limited to 10
15 years, harassment and displacement and income bans
16 runs throughout the city as questionable within this
17 plan, as good as it is; much of it is policy; policy
18 offers very little protections and policy can be
19 changed from administration to administration, but if
20 it's written into the zoning text, and not
21 everything, such as MWBE can be written into the
22 zoning text, but some can and I cite the Special
23 Clinton District as where zoning text had unusual
24 wording put in in order to protect displacement and
25 harassment. Second; construction on the same tax lot

1 of two buildings, one affordable; one market, but not
2 off-site but the same tax lot. And third, Sliver
3 Law, I didn't see where that was addressed because..
4 [background comments] I'm sorry? [background
5 comments] Alright, but I mean I'm just putting that
6 in as a question, since I'm only gettin' one, I'm
7 shootin' them all in -- [laughter] because Sliver Law
8 impacts upon Harlem, West Harlem; Upper West Side.

9 ALICIA GLEN: Thank you, Councilwoman.

10 First of all, I just wanna thank you also for all of
11 the work you did on the Riverton deal, 'cause that's
12 precisely the kind of deal that we keep alluding to
13 today here where in addition to all of the efforts
14 we're making on the new construction side of which
15 mandatory inclusionary is such a critical piece, we
16 are equally deploying all of our efforts to make sure
17 that we do not lose one single unit of affordable
18 housing in our neighborhoods that have kept them
19 strong and the people who have fought to live there
20 tooth and nail, so thank you for working with us on
21 Riverton, and again, that is exactly the type of
22 project that we would hope to continue to work with
23 all of the members on as we move forward.
24
25

1 I'm going to... you had a lot in your
2 statement; I'm gonna have Vicki again just talk a
3 little bit about why we don't believe that the
4 necessary... that Special Clinton is the way to go and
5 just reiterate some of the thoughts on that. And
6 then I know ZQA is tomorrow, but we can give you
7 minutes on Sliver Law, just to be responsive to you
8 in real time.

10 VICKI BEEN: Okay, so on the Certificate
11 of No Harassment, as I mentioned, I mean we've looked
12 very closely at that and we're certainly happy to
13 hear more about it, although we have looked very,
14 very closely at it and we would prefer to put our
15 resources into prevent harassment rather than years
16 after the fact trying to prove it and cure it way
17 later, so we would prefer to be spending our money,
18 our time, efforts of our code inspectors; the efforts
19 of our lawyers to prevent that kind of harassment.

20 You also asked about buildings on the
21 [bell] same tax lot. In any block; the block that I
22 live on, the block that most people live on have a
23 variety of housing; you can have a block with
24 Mitchell-Lama, you can have a block with Tills [sp?],
25 you can have a block with our subsidized housing and

1
2 NYCHA housing right next to a luxury apartment, that
3 works, that's what makes the city special, it's what
4 makes the city unique and we think that that's the
5 kind of economic diversity within a neighborhood that
6 we're trying to achieve.

7 COUNCIL MEMBER DICKENS: I'm sorry; that
8 may be true, but however, how are we assured that the
9 same amenities will be in both buildings?

10 VICKI BEEN: So we talked earlier about
11 the issue of amenities and I said that we are
12 certainly happy to talk about that; that is not a
13 matter that can be included in a zoning ordinance;
14 zoning does not have to do with the services, etc.
15 that go on in a building, so that's a different
16 conversation.

17 CARL WEISBROD: And then very quickly,
18 Council Member, on civil law, which I know will be a
19 subject of discussion tomorrow, but what we are
20 proposing is a very, very modest change in the Sliver
21 Law and it's really just a balance between a very
22 modest change in the Sliver Law in order to
23 accommodate affordable housing and senior affordable
24 housing, and that's a balance that we struck, but
25

1 again, a discussion on that tomorrow. [laughter] I
2 have no doubt.
3

4 CHAIRPERSON RICHARDS: She'll be here
5 tomorrow. Council Member Kallos; then to Levine.
6 And I'm really gonna hold this tight to one question.

7 COUNCIL MEMBER KALLOS: We have an
8 opportunity to build a city that's affordable for all
9 New Yorkers with economic diversity and a plan that
10 reflects the voices and expertise of our city's
11 communities. To that end, I'm deeply disappointed
12 and troubled by the administration's failure to amend
13 the plan with feedback of our city's community boards
14 and borough presidents; I'm actually gonna demand a
15 response with your position to each and every
16 condition and recommendation; the voices or our
17 communities and the people of our city matter. We
18 all share the Mayor's affordable housing goals, but I
19 believe we need to create a wider range of mixed-
20 income housing rather than looking only at the number
21 of units created for New Yorkers earning \$46,620 or
22 60% of AMI. I'm concerned that the income and
23 equality we're trying to fight will only be
24 exacerbated when we incentivize the construction of
25 housing for that one band, along with luxury units,

1 that will only continue to force low-income and
2 middle class New Yorkers from our city. While
3 Mandatory Inclusionary Housing proposes a one-size-
4 fits-all approach, the Financial Feasibility
5 Assessment found a yield on cost that supports more
6 affordable housing in strong markets, such as the
7 district I represent, allowing for 40% or even 50%
8 affordable housing with subsidies; the Commission
9 should require deeper, broader and more affordability
10 in these strong markets.
11

12 I wanna live in a city where the people
13 who build and work in our buildings are able to do so
14 safely and afford to live in them; we must build a
15 city that is affordable for every New Yorker forever
16 and so with all deference to the Committee Chair and
17 been waiting several months to have these folks, to
18 ask a question, to have a conversation in public and
19 I am frustrated by the fact that we can't have
20 conversations like this in public without a three-
21 minute clock, but my four questions reference to
22 Passover are; this should've been done already, but
23 will you respond in writing in the next ten days to
24 conditions and recommendations from each borough
25 president and community board; number two, will you

1 tailor your plan with increased deeper and broader
2 affordability for housing for strong markets; three,
3 will you support conditioning subsidies and density
4 on living wage and safety standards, and four, if MIH
5 is challenged, as the bar associations have already
6 cautioned, will the neighborhoods be left with more
7 density but no affordability, leading to a bate and
8 switch resulting in mass displacement?
9

10 ALICIA GLEN: In order to -- I don't know
11 if this is the proper, rabbinical [sic] way to do
12 this, but we're gonna go backwards from your four
13 questions, because we're gonna try to do it as
14 quickly as possible. Vicki; do you wanna start with
15 the MIH being challenged?

16 VICKI BEEN: The MIH here is a very basic
17 part of this rezoning; when things like this are
18 challenged the court has to face the question of
19 whether to throw the entire thing out or not; we have
20 tried to write it in such a way that it either stands
21 or falls altogether. We talked earlier about the
22 fact that land use regulation [bell] is subject to
23 the constitution and other constraints and requires
24 that it focus on the topic of land use. So living
25 wage; other kinds of labor standards, however

1 laudable those goals are, are not within the scope of
2 land use regulations. In terms of your concern that
3 we are only focusing on one income band, as we
4 explained earlier, it is an average of that income
5 band, which allows enormous, enormous flexibility to
6 meet all of the different income bands that one needs
7 to meet. And the whole purpose of that; indeed we
8 have been at the forefront of efforts around the
9 country to allow income averaging exactly because of
10 the flexibility and the desire not to have everything
11 targeted at one particular income band.
12

13 ALICIA GLEN: And with respect to I guess
14 your first question about demanding a response within
15 ten days, I think that what we have been doing over
16 the past several months has been engaging in a
17 response to the communities' concerns, so no, we will
18 not commit to answering everything in ten days; this
19 is part of the ongoing process and we're also happy
20 to meet with you individually to discuss any concerns
21 that you may have.

22 CARL WEISBROD: So and I would just add
23 that the substance of every single condition that was
24 asked was responded to in the City Planning
25 Commission's report; not individually by each

1 comment, but the substance of all the comments were
2 responded to in the City Planning Commission report.

3 COUNCIL MEMBER KALLOS: I just think
4 you've had enough time and just I think Counselor
5 Torres, myself and others, if you could just answer;
6 can we break it up and instead of one-size-fits-all,
7 deal with the markets as very strong, strong, just as
8 the Feasibility Study report did and try to actually
9 address the boroughs or the markets based on
10 economics and the report which indicated we can get
11 more in strong markets? And thank you, Chair.

12 CHAIRPERSON RICHARDS: Thank you.
13 Council Member Levine and then Chin.

14 COUNCIL MEMBER KALLOS: I was hoping for
15 an answer to... [crosstalk]

16 CHAIRPERSON RICHARDS: Okay...

17 COUNCIL MEMBER KALLOS: mine and Council
18 Member Torres' question.

19 CHAIRPERSON RICHARDS: Alright, they will
20 answer and then we're to Levine.

21 VICKI BEEN: We made a very explicit
22 decision to try to make sure that our Mandatory
23 Inclusionary Housing policy was upheld by the courts,
24 not struck down by the courts, because that would
25

1 produce absolutely zero housing. So we framed it
2 based upon the programs that have been upheld; the
3 programs that have been upheld have been based upon
4 rationales like economic diversity, like we have
5 tried for here and have not been based upon the
6 notion that we should get as much out of every
7 individual development or every individual
8 neighborhood as we possibly could. It's meant to
9 work across neighborhoods, across market cycles and
10 we believe that that's absolutely required in order
11 for the program to withstand legal challenge.
12

13 CHAIRPERSON RICHARDS: Council Member
14 Levine; then Gibson and then to Chin.

15 COUNCIL MEMBER LEVINE: Thank you,
16 Mr. Chair; wonderful to see all of you. Like so many
17 of my colleagues, I experience the constant stream of
18 constituents coming into my office who are desperate
19 for housing, desperate for affordable housing and I
20 believe we have to do everything in our power to meet
21 that need, including using the Zoning Code, and I
22 applaud you for putting forth a plan which does that
23 and pushes the envelope so far.

24 Most of the people coming into my office
25 are earning under \$30,000 a year; some are earning

1 under \$20,000 a year, so again, like my colleagues, I
2 have serious concerns about what's in this plan for
3 them and I hear your response being that MIH is a
4 floor and we're gonna build from that with subsidy
5 and in East New York you've done that, it seems,
6 you've got 50% of units are affordable and a lot of
7 set-aside for the lowest income. You've put in I
8 don't know how many millions or maybe tens of
9 millions of dollars into subsidy in that
10 neighborhood; can we expect to see that level of
11 subsidy in every other upzoned neighborhood?
12

13 ALICIA GLEN: So first of all, thank you
14 being so supportive of the notion of doing something
15 that really fundamentally changes land use and how we
16 address affordable housing in New York.

17 So again, this is one piece of this much
18 broader puzzle and that's why we keep talking about
19 the interplay between what we're doing today in all
20 of the other programs. Yes, we understand that the
21 vast majority of people who will walk into your
22 office are extremely low-income and that is why we
23 feel that our housing plan at large has an
24 unprecedented focus on very low and extremely low-
25 income people and those programs which we've rolled

1 over time are precisely the kinds of tools that we
2 will be deploying in areas all across the city, but
3 particularly in areas where we are rezoning and we're
4 gonna continue to engage in understanding what the
5 particular needs of that neighborhood is. The
6 neighborhood that you represent may have a huge need
7 for senior housing or it may have a huge need for
8 workforce housing and so what we will do as we
9 continue the process of rezoning neighborhoods is to
10 engage in a housing strategy that can be overlaid
11 with the rezoning and again, the great thing about
12 adopting MIH is that it creates this new floor and
13 then it allows us to be accretive on top of that.
14 And so yes; do we wish we lived in a world where the
15 federal government was in the low-income housing,
16 senior business? Of course we do, but with the
17 resources that we have and doubling our budget and
18 stretching every dollar and enacting programs like
19 MIH, it will allow us to continue to stretch our
20 precious tax dollars even further and that is why all
21 of this is part of a holistic and comprehensive
22 approach and we will absolutely work with you as we
23 work in your neighborhood and your district to make
24 sure that the housing plan and the commitments we
25

1
2 make are relative and mapped to what's going on in
3 your neighborhood.

4 COUNCIL MEMBER LEVINE: Thank you. Many
5 of my colleagues have pointed out concerns with the
6 off-site option for the affordable units because it
7 could have the effect of pushing low-income people
8 away from wealthier parts of a community board; to me
9 that would only be [bell] justifiable if we were
10 getting significantly more units than we would on-
11 site and you point out that well, until now, very few
12 people have exercised the off-site option, but wasn't
13 that... [crosstalk]

14 CHAIRPERSON RICHARDS: Uh...

15 COUNCIL MEMBER LEVINE: during the 421-a
16 era where there were other financial anchors to
17 building on-site and now that we're living without
18 421-a, wouldn't that just open the flood gates to
19 off-site development?

20 VICKI BEEN: So we did discuss earlier
21 the off-site issues and say that, you know we are
22 willing to discuss the whole off-site question; I
23 don't think that we will see any difference where we
24 saw the inclusionary housing was, you know, in the
25 past was through the voluntary program; some of those

1 were getting 421-a; many of them were getting 421-a,
2 but it wasn't 421-a that was governing whether they
3 built off-site or on-site, so again, the fact that
4 you have to buy a piece of land for the affordable
5 housing and that you have to finish that and take the
6 risk that it doesn't get finished while you have a
7 very expensive market rate building sitting unused is
8 a very powerful limit on that off-site option.

9 [background comment]

10 CHAIRPERSON RICHARDS: Thank you. We're
11 gonna go onto Council Member Gibson. Thank you,
12 Council Member Levine.

13 COUNCIL MEMBER GIBSON: Thank you very
14 much, Chair Richards; Chair Greenfield; thank you
15 very much, Mr. Chairman, Deputy Mayor and
16 Commissioner. I appreciate your efforts and all the
17 work that really has been done to bring us to this
18 point. The public conversation and all the dialogue
19 and input that has happened has really been about
20 getting to that common goal of affordable housing.
21 Sometimes I find issue that, you know, affordable
22 housing is a loosely used term that sometimes doesn't
23 apply to everyone, so it's concerning to me,
24 representing the Bronx, representing the Jerome Plan,
25

1 of which we're having a lot of conversation around, I
2 appreciate that we can all agree that residents and
3 families living at 30% AMI is truly where we need to
4 go; they are the most in need, but what I think is
5 complicated is that this current plan doesn't really
6 get to the majority of the residents that are living
7 at 30% AMI and so my colleagues have all talked about
8 deeper affordability, broader range with the number
9 one option, 25% at 60; I really appreciate
10 flexibility, but I appreciate even more details and
11 making sure that there are more residents at 30% that
12 can be accommodated. I recognize that this is a
13 long-term plan and absent [sic] nothing, we have to
14 do something to drive development that's in the best
15 interest of our New Yorkers. So I think we do have a
16 very unique opportunity and that's why you have so
17 many people that are really concerned.

18 I have been hearing a lot from residents
19 in my district and we talk about the push-out, price-
20 out factor, the fact that neighborhoods are changing
21 and the residents that are struggling right now don't
22 believe this plan will help nor enhance their life,
23 and I think that's the critical point to make. So
24 what I'd like to know is within the SARA and ELLA
25

1 programs that you talked about, which take us beyond
2 MIH, the longevity of that, the available of tax
3 incentives beyond this administration is something
4 that I'm very concerned about and then also, the
5 Neighborhood Development Fund that the Deputy Mayor
6 talked about, as I understand, a billion dollars is
7 great, but it's not a lot of money for all of the
8 neighborhoods that we're looking to rezone, and
9 that's only for neighborhoods that are being rezoned.
10 So for residents that live in areas of low-income
11 needs that are not in the rezone areas, they would
12 not benefit from this billion dollars of capital.
13 And also, Chair Richards talked about the local MWBE
14 participation, which I'm very concerned about; I
15 think it's concerning that we're asking residents to
16 absorb new residents that may come from other areas;
17 we're asking them to look at changes in their
18 neighborhood, but then we're also saying that legally
19 we can't mandate local hiring, so you may not even be
20 able to get a job to build the very housing that we
21 want them to have access to. So it's really
22 challenging and I say that because I'm dealing with
23 the zoning myself and I know that MIH will stimulate
24 Jerome and so I wanna make sure as much as we can get
25

1 in MIH we have to do that right now because there's
2 no guarantee and residents are looking for us to make
3 sure that we can give them the guarantee they need.
4 So what I'd like to know is with ELLA and SARA [bell]
5 what long-term benefits do we have with that to make
6 sure that that can be extended beyond this current
7 administration?
8

9 VICKI BEEN: So thank you and thank you
10 for all the work that you're doing in Jerome and in
11 your district and it's been a pleasure to work with
12 you on that.

13 So ELLA and SARA are subsidy programs,
14 cash subsidy programs; they work with a wide variety
15 of financing tools, including tax exemptions like
16 Article 11 that the City Council controls; 420-c,
17 which is a state law matter, so it will, you know, go
18 on as long as the state supports it and it, to my
19 knowledge, actually has never lapsed like 421-a. But
20 Article 11 is something that you control and I would
21 fully expect that it be there. We also use Low-
22 Income Housing tax credits of course, which is a
23 federal program that's been in existence since 1988;
24 we have every reason to believe that it will
25 continue. So those financing tools are long-term

1 tools that we can use to drive affordability down.
2 Again, I wanna emphasize; I don't think we can
3 emphasize this enough; MIH is one tool, it's one tool
4 of many; we can't ask MIH to solve all of the world's
5 problems; we are pushing as far as we can legally and
6 practically. If we push too far we get zero housing;
7 right? Thirty percent of zero is zero; we don't want
8 that, we want a program that doesn't stop production
9 but that harnesses production, so we have crafted the
10 program very, very carefully to get to the line to
11 push the envelope as far as we can to try to get the
12 housing that we need and get at those levels of
13 affordability, but we know that we can't ask it to
14 solve every problem or we will end up with zero
15 production.
16

17 CARL WEISBROD: And Council Member, let
18 me just add and couple this with a response also to
19 the question that Council Member Levine asked, which
20 is, when we look at the areas that we are doing a lot
21 of planning, like in the Jerome Avenue Corridor where
22 we're working with you, the housing centerpiece of
23 that is very important, but it's part of a much
24 broader effort to look at the neighborhoods more
25 broadly. So each neighborhood that we look we will

1 look at on its own merits and certainly use MIH as
2 one tool; the other tools that Commissioner Been
3 mentioned, but each neighborhood also has in many
4 respects some of the same challenges but also
5 different challenges and so we want to address all of
6 them as we go forward with these neighborhood plans
7 and just generally, this is a very, very different
8 approach to neighborhood planning that's been done in
9 the past.
10

11 COUNCIL MEMBER GIBSON: Thank you very
12 much and thank you, Chair; I appreciate it.

13 CHAIRPERSON RICHARDS: Thank you. We're
14 gonna ask Council Members to really ask one question
15 so that we can really get to the public. Council
16 Member Chin, followed by Rosenthal and Cohen.

17 COUNCIL MEMBER CHIN: Thank you, Chair.
18 First of all, I really wanna thank the Mayor for
19 really pushing hard on Mandatory Inclusionary
20 Housing; that is something that housing advocates
21 have been pushing for many years; at least I agree
22 with you, this is the ground floor, that any
23 developer coming in has to provide affordable
24 housing, but what we want is that the deeper
25 affordability, we wanna make sure that everyone in

1
2 our neighborhoods have an opportunity to apply for
3 those housings and the option that is laid before us,
4 need more, we need deeper affordability; we don't
5 want people to feel that they are left out,
6 especially seniors, working families who have helped
7 build those neighborhoods that we are talking about
8 that do not have the opportunity to apply. So I
9 think when you're talking the city supplementing with
10 subsidy, that's great, but developers, I think we
11 really need to push the max and I think you were
12 saying that it's up to us, the Council, but I think
13 it should be starting from the community, from the
14 community board level, when they get to City
15 Planning, when they get to the borough president, at
16 every level we have to see how we can push more than
17 just the ground. And then you have the groups that
18 are the smaller buildings that they don't have to do
19 affordable housing, but they do in lieu of payment,
20 so how do we make sure that you monitor and make sure
21 there is community input where that money is being
22 spent to preserve or build affordable housing in the
23 community. And connecting to that is how do we
24 track, continue to monitor and track the affordable
25 units that we built so they are permanently

1
2 affordable [background comment] because we have
3 developers who are not tracking, who are like not
4 renting the affordable units that should be
5 continuing, so those are my questions.

6 VICKI BEEN: Okay. So that was one
7 question all wrapped up together; let me try to work
8 it back and peel it apart. [background comments]
9 First of all, Happy Lunar New Year to you and thank
10 you for recognizing the game-changer that MIH would
11 be.

12 How would we track? We have spent the
13 last few years completely revamping HPD's technology
14 and its systems; when I walked in the door, as I
15 think I mentioned to you, our major tax exemption was
16 on a Wang computer, which hasn't been made in 30
17 years; we've completely updated that, we are now
18 tracking every single unit of affordable housing; we
19 know when it becomes vacant, we make sure that it is
20 being occupied by the people at the income levels and
21 any other qualifications that are necessary and we
22 will continue to ramp that up; we have a very
23 ambitious technology investment program and
24 enforcement program that we are rolling out.

2 In terms of, you know, will people feel
3 that they are being addressed by an MIH; when
4 somebody goes on [bell] Housing Connect to apply for
5 any of our housing, they don't know if it's provided
6 by MIH or by one of my subsidies; what they see is
7 that housing is available for a range of incomes that
8 meet their needs and that's what we're trying to
9 achieve. We can achieve certain things in MIH and we
10 can achieve certain things in various of our other
11 tools; we want as many tools in the toolbox as
12 possible and that is what will result in people going
13 on Housing Connect and seeing there's housing at 30,
14 there's housing at 40, there's housing at 50 and I
15 can apply for that.

16 CARL WEISBROD: And Council Member, let
17 me just -- in response to your question about where
18 in lieu funds can be spent, we do think that they
19 ought to be spent in the community board in which
20 they're generated and actually, we had anticipated
21 that HPD would put that in its rule-making, but we
22 would urge the Council to amend the zoning and modify
23 it to require that at least that for 10 years those
24 funds would be locked up and only available in the
25 community board in which they were generated and then

2 if they weren't used in those 10 years they could be
3 spent in the borough as a whole. So we urge the
4 Council to modify the zoning to make that clear.
5 Thank you.

6 CHAIRPERSON RICHARDS: Thank you. Now to
7 Council Member Rosenthal; I'm gonna ask you to really
8 be brief and ask one question. Council Member
9 Rosenthal.

10 COUNCIL MEMBER ROSENTHAL: [background
11 comments]

12 CHAIRPERSON RICHARDS: Hit the mic.
13 [background comment] Turn it on. Thank you so much,
14 Chair Richards and as Council Member Gibson was able
15 to say so eloquently, Chair, Deputy Mayor and
16 Commissioner. I have three questions; one has to do
17 with... [interpose]

18 CHAIRPERSON RICHARDS: One question.

19 COUNCIL MEMBER ROSENTHAL: one has to do
20 with community involvement, the second has to do with
21 off-site and the third has to do with how permanency
22 is guaranteed. So in terms of community involvement,
23 you know many of the community leaders have expressed
24 concern that MIH will actually serve to stifle the
25 negotiations that go along with major new development

1 projects over infrastructure and other public goods
2 and Chair Weisbrod, when Council Member Torres asked
3 you this specific question, you seemed to imply that
4 even after the MIH upzoning if a private developer
5 came to build even below where that upzoning was they
6 would have to come to the Council for approval; is
7 that accurate or did I misunderstand you?

9 CARL WEISBROD: I think you misunderstood
10 in the sense that if an applicant is coming to us for
11 a rezoning or for a special permit they would go
12 through exactly the same process, they go through
13 that... [interpose]

14 COUNCIL MEMBER ROSENTHAL: But the
15 question is that in... to use a hypothetical;
16 neighborhood, you know, ABC gets upzoned to 50
17 stories; right... [interpose]

18 CARL WEISBROD: Right.

19 COUNCIL MEMBER ROSENTHAL: and then a
20 developer comes and it goes through the process, so
21 now there's mandatory affordable in district ABC..
22 [crosstalk]

23 CARL WEISBROD: That is correct.

24 COUNCIL MEMBER ROSENTHAL: of whatever
25 option the community chose..

2 CARL WEISBROD: Right.

3 VICKI BEEN: Right.

4 COUNCIL MEMBER ROSENTHAL: Now let's say
5 a developer wants to build 40 stories, not 50, 40
6 stories; they don't come to the Council; do they...?

7 [crosstalk]

8 CARL WEISBROD: No, but mandatory would
9 still apply.

10 COUNCIL MEMBER ROSENTHAL: Of course, but
11 there wouldn't be an opportunity and I think this is
12 exactly what the community is asking; they would not
13 have an opportunity to say hey, we need a new school,
14 there's so much development; I've gotten ten 40-story
15 buildings going up in my district; I need a new
16 school. Previously, as has been the case in my
17 district, when we negotiated an upzoning that the
18 developer required, we got a new school out of the
19 deal in addition to only, and I agree only, 20%
20 affordable housing, although the housing was 30%-80%
21 AMI.

22 CARL WEISBROD: Well let me clarify that,
23 Council Member, because in fact when we go through a
24 rezoning of a neighborhood and subject to that
25 rezoning anything that happens after that, assuming

1
2 it's approved, is [bell] as-of-right, but when the
3 rezoning occurs, when the rezoning occurs, that is a
4 moment for the community to weigh in on what public
5 investments should be made; just to use an example of
6 what we're doing in East New York today where we are
7 undertaking a rezoning of that neighborhood, pursuant
8 to mandatory inclusionary zoning where we are
9 providing a school, where we are providing the kinds
10 of public investments up front... [crosstalk]

11 COUNCIL MEMBER ROSENTHAL: Who's we?
12 Who's we in that story...? [crosstalk]

13 CARL WEISBROD: We the City and
14 ultimately that will come to the Council for approval
15 and we the Planning... [interpose]

16 COUNCIL MEMBER ROSENTHAL: But in... But
17 there's no opportunity for the developer to pay for
18 that school; the city provides... [crosstalk]

19 CARL WEISBROD: But...

20 COUNCIL MEMBER ROSENTHAL: the subsidy.

21 CARL WEISBROD: That is true, but that is
22 exactly... [crosstalk]

23 COUNCIL MEMBER ROSENTHAL: Okay.

24 CARL WEISBROD: the case today under any
25 rezoning that results in an as-of-right final

1 rezoning of that neighborhood. In no case, as long
2 as the... [crosstalk]

3
4 COUNCIL MEMBER ROSENTHAL: Of course.

5 CARL WEISBROD: developer complies with
6 the rezoning does that come to the Planning
7 Commission after that or to the Council; however...
8 [crosstalk]

9 COUNCIL MEMBER ROSENTHAL: Correct. But
10 let's say 20 years from now East New York has ten
11 more buildings that go in now as-of-right with the
12 mandatory affordable; who's there to build the new
13 school?

14 CARL WEISBROD: The School Construction
15 Authority, the City... [interpose]

16 COUNCIL MEMBER ROSENTHAL: The City would
17 be required to do it?

18 CARL WEISBROD: the City... as the City
19 does now... [crosstalk]

20 COUNCIL MEMBER ROSENTHAL: Thank you.

21 [background comments]

22 CARL WEISBROD: as the City does now.
23 But let me just add that on private applications,
24 just as it is today, the community has the same
25 input, the same involvement; the Planning Commission

2 has the same involvement; the Council has the same
3 involvement... [crosstalk]

4 COUNCIL MEMBER ROSENTHAL: Wouldn't one
5 imagine... [crosstalk]

6 CHAIRPERSON RICHARDS: Alright, I'm gonna
7 ask us to wrap up; the Speaker...

8 COUNCIL MEMBER ROSENTHAL: 'cause Chair
9 Richards is about to cut me off, but wouldn't... once
10 that mandatory upzoning occurs, hypothetically, very
11 few developers are gonna come back through the ULURP
12 process; the upzoning is meant to take care of many
13 developments so that there would be more as-of-right;
14 that's the goal, right and in those as-of-right there
15 will be affordable; again, as you say, should they
16 wanna go above the upzoned area, then there's an
17 opportunity.

18 CHAIRPERSON RICHARDS: Alright, I'm gonna
19 ask us to wrap up... [crosstalk]

20 COUNCIL MEMBER ROSENTHAL: Thank you.

21 CHAIRPERSON RICHARDS: in the interest of
22 the speaker needing to make a statement.

23 SPEAKER MARK-VIVERITO: Thank you,
24 Mr. Chair; I wanna thank the reps from the admin that
25 are here, but first and foremost I really wanna thank

1 everyone who is here in the audience to express their
2 opinion and provide testimony. I wanna thank my
3 colleagues; we have a good representation of the City
4 Council which I think is indicative of how seriously
5 we're taking this conversation, how seriously we're
6 taking our role and responsibility in this process,
7 which has already produced a lot of public input,
8 right, and let me be clear, because I think I just
9 wanna focus my comments on process, right? We have a
10 window now in which 50 days from today we have to
11 provide some level of opinion on this matter, voting
12 this issue either up or down. I really wanna commend
13 our Land Use Division, our Land Use staff for the
14 exemplary work and background that they're already
15 provided to us. We have two very thorough documents
16 here, if people could see it, where we have every
17 single opinion and recommendation provided by every
18 single community board, by the borough boards, any
19 part of the public process we have been provided with
20 a very thorough assessment and input of all the ideas
21 and recommendations that have already been provided;
22 that is weighing in to our decision-making; that is
23 part of our process. In this 50-day window, we have
24 these two hearings, we have exclusively dedicated one
25

1 for mandatory inclusionary zoning, one for ZQA; we
2 did not wanna muddle the waters; we're taking this
3 very seriously and I want people in this room to
4 understand that. I will say though that at the end
5 of this process if we decide to move forward and vote
6 on these proposals, with changes, changes will take
7 place because again, we're taking into account input,
8 but let's be clear, we're not gonna meet everybody's
9 expectations, we're not gonna answer everybody's
10 questions, we're not gonna make everybody happy; that
11 is part of governance, that is our responsibility as
12 leaders; we weigh input, we factor that into our
13 decision-making and then we make what we believe is
14 the most responsible decision in the best interest of
15 our constituents and the City of New York. So you
16 know I wanna just be very clear because our process
17 again is through, we could be here and debate this to
18 death for the next year, 2 years, 3 years, but we
19 have a window in which we much opine, in which we
20 must make a decision, whether it is to support or not
21 support. I clearly believe that we can get to a
22 point and I am supportive of the vision that is
23 provided by each of these proposals and I want to
24 arrive at a point where we can weigh and balance the
25

1 needs that have been expressed by the public and our
2 constituents and arrive at a decision that will make
3 this something that is helpful to provide affordable
4 housing to our city and to our community. So I know
5 that there's a lot of deliberations; I'm gonna
6 unfortunately have to step out; I plan to come back
7 to hear some of the public testimony in a little
8 while, but this is a process which we take very
9 seriously and I want people to be clear that your
10 voice is being heard and your opinions are being
11 evaluated in this process.
12

13 I wanna thank the Chair for his
14 leadership on this, I wanna thank our Council staff
15 for their leadership and I wanna thank my colleagues
16 for the seriousness in which they're taking this
17 process.

18 So again, I look forward to hearing the
19 questions and the answers; there will be testimony;
20 we can read the transcripts and be able to make our
21 deliberations. So thank you very much for that.

22 CHAIRPERSON RICHARDS: Thank you Speaker
23 for your leadership on this and so many other issues.
24 Council Member Cohen and also followed by Council
25 Member Menchaca; then Van Bramer.

2 COUNCIL MEMBER COHEN: Thank you, Chair
3 Richards; thank you to the panel for your testimony.
4 For just one second I would like to express my
5 gratitude to City Planning, to Chair Greenfield, to
6 Chair Richards, as well as my Speaker, Melissa Mark-
7 Viverito and the Land Use staff for hearing me and
8 addressing my specific concerns that I have regarding
9 ZQA, so I am very grateful for that.

10 Could you just talk for -- in the minute
11 that you have -- a little bit about the pre-official
12 process and what went into the development of MIH in
13 terms of communication with stakeholders and then
14 specifically why you don't think that translated in
15 the rollout of the plan, specifically the reactions
16 at the community board level?

17 CARL WEISBROD: I'll start and my
18 colleagues will add to this, I'm sure. But we
19 started with a look, as you've heard and probably
20 seen, a look at the economics of the housing market
21 and what rationally and reasonably we could require
22 while staying within legal limits on the one hand,
23 economic reality on the other hand and also assuring
24 that we would not be faced with a situation where the
25 mandatory requirements of MIH were such that we

1 wouldn't get any housing whatsoever; that's really
2 the obligation that I think we all placed on
3 ourselves, because 25% of zero is zero, as we've
4 said.
5

6 We also discussed this with not only
7 stakeholders in New York City, but surveyed programs
8 around the country and as you could see by the chart
9 we put up earlier, we have developed the most
10 rigorous program of any major city in the country,
11 something that we are extremely proud of.

12 We went to more than 100 community board
13 meetings during the course of this process which has
14 taken place over the past year [sic]... [crosstalk]

15 COUNCIL MEMBER COHEN: You personally
16 came to my district; I appreciate it.

17 CARL WEISBROD: I did personally go to
18 your district; I heard a lot of comments at your
19 community board and I would say that what we heard in
20 general was that almost every community board, almost
21 every community board embraced strongly the concept
22 of mandatory inclusionary zoning. There were
23 concerns in most community boards about some of the
24 specifics, a lot of the issues and questions we've
25 heard from you today; some of that we've addressed

1 over the course of this review process, but I think
2 this has been an extraordinary effort of listening to
3 community boards; it's not surprising, as we all
4 know, [bell] that community boards do express their
5 views; many community boards voted no, but voted no
6 with conditions, which we've listened to and
7 responded to in many, many ways and that's been the
8 process and that's what the public review process is
9 really all about.

11 CHAIRPERSON RICHARDS: Thank you, Council
12 Member Cohen. We now will go to Council Member
13 Menchaca, followed by Majority Leader Van Bramer.

14 COUNCIL MEMBER MENCHACA: Thank you,
15 Chair. So I have a question; I'm gonna ask one
16 question from the jungles of Twitter.

17 But before that, I have a lot of
18 concerns; I'm concerned that in the conversation that
19 we're pushing you probably collectively here there's
20 not much budging that I'm hearing yet in moving away
21 from changing the three options and moving them more
22 to affordable.

23 The chart you had below, Ms. Been if you
24 can go back to the average scales, it seems like the
25 average option is still voluntary; I think we're

1 trying to get away from voluntary, so I'm concerned
2 about that.
3

4 I'm concerned about the billion dollars
5 not being enough; I think that I keep on hearing from
6 the Deputy Mayor that this is not the only fund, but
7 I haven't heard more specifics about what other funds
8 we will be able to tap into, and it's still not clear
9 in detailed form what we're expecting in the savings
10 as we get and push private sector to do this work for
11 us, which I support, but not understanding exactly
12 how much we are gonna be saving.

13 I'm concerned about our industrial zones,
14 I'm concerned about a land use action; right now,
15 before... will come soon before the City Council,
16 before us all, of a nursing home in Red Hook that
17 when I looked and added MIH and ZQA on top of it
18 would essentially erode everything we're trying to do
19 in Red Hook to remove the massive scale of it and if
20 it's not on your radar, let's talk about it, but
21 these are Trojan horses in the work that we're trying
22 to do as a community.

23 I'm concerned about landmarking and the
24 processes of landmarking and that not having all the
25 funding to get Sunset Park, for example, landmarked

1 before this moves forward. And so my question, I
2 have one -- Twitter -- What's preventing you from
3 adding construction and safety standards at the same
4 energy that we're trying to move MIH to this package
5 to allow for standards of construction safety and
6 training for our union members that will be building
7 this, for our day laborers and for everyone else that
8 we're seeing that we're trying to activate in this
9 process?
10

11 ALICIA GLEN: So Councilman Menchaca,
12 first of all, we obviously are very, very concerned
13 with and share the entire city's concern around
14 construction safety, 'cause it is clear that there is
15 no building we will ever build that is worth
16 anybody's life, so we are laser-focused on making
17 sure that we're improving safety across all kinds of
18 sites; obviously the Mayor announced a series of
19 initiatives with respect to cranes, but our focus is
20 not just on these, sadly, quite tragic high-profile
21 events; the vast majority of our construction
22 accidents happen on smaller sites and so we continue
23 to focus on that piece of our work and in fact we
24 recently [bell] put another 100 inspectors for site
25 work into the DOB budget and will begin to see a much

1
2 more aggressive enforcement and a number of
3 inspectors.

4 I think that it's really important that
5 we continue to work together on identifying ways in
6 which we can improve worker safety and make sure that
7 we continue to fight on the side of increasing wages
8 while we're also tackling the affordable housing
9 crisis; these two things go together; we would have
10 less of an affordable housing crisis if people made
11 more money. So these two things obviously work in
12 tandem together and we continue to work with you on
13 other programs. I'm gonna turn it over to
14 Commissioner Been because today's hearing is on MIH
15 and what MIH will do to add to our overall agenda not
16 just to promote affordable housing, but to promote
17 stronger neighborhoods and doing it through zoning
18 and land use and that is one opportunity for us to
19 work together to change the future of New York City,
20 but it cannot be both legally, nor should it be, the
21 only way in which we capture everything we wanna do
22 together to improve our city. So I'm gonna have
23 Vicki talk specifically around how zoning is not the
24 correct mechanism for this other incredibly important
25 work.

2 VICKI BEEN: So the City Planning
3 Commission and the City are limited in what they can
4 achieve through a zoning ordinance by constitutional
5 constraints and enabling act constraints and we are
6 limited to dealing with issues of land use -- the
7 height of buildings, the bulk of buildings, what the
8 use of buildings is put to; we are not allowed to
9 address labor issues; we can address those in other
10 ways; we're happy to have that conversation. As the
11 Deputy Mayor said, it's a critical concern, but it
12 isn't a concern that we can address in a zoning
13 ordinance.

14 COUNCIL MEMBER MENCHACA: I hear you and
15 sometimes I think when we're rushing to sometimes put
16 the cart before the horse, so let's talk about it.

17 CHAIRPERSON RICHARDS: Thank you,
18 Councilman Menchaca. We now are goin' to Majority
19 Leader Van Bramer, followed by Miller and Treyger.

20 COUNCIL MEMBER VAN BRAMER: Thank you
21 very much, Mr. Chair. First of all I just wanna say
22 thank you to all three of you, we've all met on
23 multiple occasions on these issues. Second, I just
24 wanna say I support a wide range of options here; I
25 believe the City is better off when people with a

1
2 diversity of income levels live together and that's
3 something that I believe this can achieve with the
4 healthy and broad range of options that exist in this
5 plan; we all share the goals of making New York City
6 more affordable and livable for all and so I come to
7 it from that and I'm pleased to see the options that
8 you have presented here.

9 The Speaker mentioned the document that
10 mentions our community boards and the community board
11 that I live in, Community Board 2 in Queens; I once
12 served on the Land Use Committee; now they voted no,
13 but with some specifications and some concerns, I
14 wanted to raise a few of those that you could
15 possibly address here, so I'm bringing our community
16 board's recommendations to this hearing and hoping
17 you can address some of those concerns.

18 Obviously I represent Long Island City,
19 Queens which is an incredibly exciting place and a
20 dynamic place with a hot real estate market and we've
21 had a lot of development, so in the Community Board
22 2's response to this issue is a concern about
23 overpopulation, overdevelopment and certainly
24 infrastructure, so can you address the infrastructure
25 -- schools, DOT, transportation -- I think that's a

1 big part of their concern and a big part of what
2 folks are talking about. And then they also
3 mentioned the off-site issue which a colleague spoke
4 to a little bit before. And then also, and they may
5 be -- I'm not sure about this, but the preference for
6 community board residents worked very well in Hunters
7 Point South; it's something I believe in very
8 strongly; they believe that that is not going to
9 continue with this and if you could address that as
10 well, because they put that in their report as one of
11 the things that they're concerned about as well.
12

13 And I just wanna say again, I believe in
14 the vision and the goal of this and I believe in you
15 giving Council Members the power to work with our
16 communities to determine what is in the best interest
17 of the communities we've been elected to represent; I
18 think that's an important part of what you've
19 proposed here, and if you could address some of
20 Community Board 2's issues that they raised.

21 ALICIA GLEN: Okay, just to quickly
22 reiterate -- community board preference [bell],
23 Commissioner Been will talk about that -- I don't
24 think we need to address the off-site option again,
25

1 because we had a healthy discussion about that and we
2 can have more conversation about that directly.

3
4 I think on the general issue around
5 infrastructure and development in places we're
6 experiencing extraordinary housing booms and
7 commercial booms -- I wanna make clear that the
8 billion dollars that we've set aside is allocated to
9 specific projects where we are doing rezoning, but
10 it's not the only money that's in our infrastructure
11 and capital budgets, right; we have an enormous
12 capital budget where we go through a series of
13 exercises to determine where we need to be building
14 schools, building sewers, improving transportation,
15 etc. So I do want everybody to understand that the
16 one billion dollars is accreted to the base case
17 capital planning that we are engaging in and as Chair
18 Weisbrod said, for the first time in many years we're
19 actually bringing the planning and the budgeting
20 together in a much more coherent way. Is it perfect?
21 Of course not. Is there every enough money to do
22 everything you wanna do right this minute in time?
23 No, but we can bring some rationality and some
24 prioritization to a very complex process. We of
25 course are very aware where there's unbelievable need

1 for new school seats in communities like Long Island
2 City and so we would move ahead and prioritize those
3 projects as we've discussed. But again, the NDF
4 money is on top of what we're already doing as a city
5 to deal with a very challenging infrastructure
6 environment for all of us. And I just wanna make
7 clear that again, these two processes will work in
8 tandem and not cannibalize one for the other. I
9 think Commissioner Been will talk a little bit about
10 how community preference works, 'cause I do think
11 it's fundamental to the notion of; what are we
12 delivering for communities when we're asking them to
13 become bigger, broader, more diverse and how does
14 that work in terms of how the people who have lived
15 in that neighborhood for years will experience that
16 growth.

17
18 VICKI BEEN: The community board
19 preference is really intended to address exactly the
20 kinds of issues that we're talking about here today,
21 to prevent displacement, to allow people to stay in
22 their neighborhood, people who have lived in
23 neighborhoods, who have the neighborhoods, who are
24 the mainstay of their communities. We apply the
25 community board preference; I think what your

1 community board was referring to is that the
2 community board preference has been challenged, which
3 is ironic; as we're sitting here talking about the
4 incredible need to keep people in their
5 neighborhoods; the incredible fear that people have
6 of being displaced, it is ironic that it is being
7 challenged as preventing integration when indeed it
8 is exactly about ensuring that all of our
9 neighborhoods are economically diverse. It's being
10 challenged; the hearing before the court was put off
11 until June, the very first hearing, so it's gonna be
12 a long process; in the meantime, we will continue to
13 apply the community board preference.

14
15 COUNCIL MEMBER VAN BRAMER: That's good
16 news, and... [interpose]

17 CARL WEISBROD: I just wanted to add; in
18 addition to all the public investments and available
19 strategies that the Deputy Mayor mentioned; in her
20 opening remarks she also referred to the
21 unprecedented amount of money that the City is now
22 contributing to the MTA's capital budget and that
23 really has given us, we believe, the equity to demand
24 kinds of transportation improvements in districts; we
25 have demanded that in East New York, with respect to

1 Broadway Junction, and likewise we're well aware of
2 the transportation challenges in Long Island City.

3
4 COUNCIL MEMBER VAN BRAMER: Now if only
5 we can get the City to be in control of the MTA. I
6 just wanna thank all of you again and say the \$225
7 million for new schools in Long Island City very
8 appreciated; the DOT infrastructure improvements very
9 much appreciated; obviously we're gonna need more and
10 we have a zoning for the core of Long Island City
11 that we are looking at as well. So I look forward to
12 working with you all to making sure that the
13 residents of Long Island City and the 26th District
14 get everything that they deserve. Thank you.

15 CHAIRPERSON RICHARDS: Thank you, Jimmy
16 Van Bramer for taking all the schools seats in New
17 York City. We will now go to Council Member Miller
18 and Treyger; followed by Treyger we'll go to Crowley
19 [sic].

20 COUNCIL MEMBER MILLER: Thank you,
21 Mr. Chair for your patience especially here today and
22 thank you to Deputy Mayor and Commissioners for being
23 here and for the time that you spent with my office
24 and the other offices of the members throughout the
25 Council here. Obviously judging by the attendance,

1 this is a matter of great importance; maybe the most
2 important that we will endeavor that we'll come
3 across in the next 4 years, so certainly we are
4 taking it with a great deal of seriousness, as well
5 as what we've heard from our communities. But one of
6 the things, a central theme that I've heard,
7 unfortunately, here about the developers, the
8 development and this process is fear and cynicism,
9 kind of a cynicism that almost is being justified
10 when we talk about what we can't do and some of the
11 things that we can't mandate through the process; I
12 don't know if we have yet attempted to do so. And my
13 question then is; in the process itself, how have we
14 collected data and what has that data told us and are
15 we reaching our target audience; are the indigenous
16 people from these communities having opportunities
17 for this affordable housing and if not; how do we
18 ensure that occurs and what process is in place that
19 we ensure that these applicants are the applicants
20 from these communities and that they ultimately are
21 not just applicants, but they become residents?

22
23 And secondly, you mentioned the safety
24 factor and that safety was paramount; how many of
25 these -- I know that the Council did a hearing on

1 safety on development in the affordable industry last
2 year and what if any information that came from that
3 hearing is being applied to affordable housing and
4 how many of the developers currently enrolled in the
5 program are involved in the certified safety program
6 as well?
7

8 VICKI BEEN: So I can take your first
9 question about essentially, how do we know that this
10 is serving people in the communities at different
11 income levels. So since we introduced the online
12 lottery system, Housing Connect, we have filled the
13 community preference in each and every instance, so
14 we know that half of the units are going for people
15 in the community. We've been doing a great deal of
16 work with the Office of Financial Empowerment to try
17 to understand reasons why if people win the lottery,
18 their number comes up, that they then don't get the
19 housing [bell] and we have imposed a variety of
20 restrictions upon the qualification process. We've
21 learned that many people are either, you know, they
22 are \$100 over the income or \$100 under the income and
23 that's exactly why we think that the kind of
24 averaging and having a range... [clearing throat]
25 excuse me... having a range of incomes rather than one

1 specific target is a very important part of the
2 process. But we now use what we call housing
3 ambassadors to work with people in the communities,
4 people who are applying for the lottery, so that they
5 can have all the documentation that they need so that
6 they're ready for that so that any problems, credit
7 problems, etc., that they can get help on those; we
8 have banned things like using only credit to
9 disqualify somebody so that we are making sure that
10 we're serving the people in those communities.

12 ALICIA GLEN: And with respect to your
13 second question about the number of developers who
14 are enrolled in the program, I'm gonna have to get
15 back to you; we simply don't have the data today, but
16 we will respond to your office.

17 CHAIRPERSON RICHARDS: Thank you, Council
18 Member Miller; now to Treyger and Crowley and
19 Johnson. We're almost there, public, we're almost
20 there. Council Member Crowley, followed by Johnson.

21 COUNCIL MEMBER TREYGER: Okay, thank you,
22 Chair Richards and also to our Land Use Chair
23 Greenfield for this very important hearing.

24 I just wanna mention; we heard before
25 that people like teachers, transit workers; nurses

1 should be able to afford to live in the city where
2 they're working and I agree, but I would argue that
3 we need to go much more beyond than just those words.
4 I'm gonna articulate my concern and question in the
5 interest of time and then I'll get a response
6 afterwards.
7

8 I'm curious to know how many ownership
9 opportunities exist in MIH; I think there is a
10 difference between managing inequality versus solving
11 inequality. Right now many of the taxpayer
12 subsidies, like the 421-a that expired or 420-c,
13 these were subsidies for developers and for people to
14 build; why not redirect some of those monies to help
15 working families own a piece of their neighborhood
16 and not just let the rich become richer? How many
17 opportunities for social mobility? Because to me,
18 simply to build low-income housing to allow people
19 just to rent and to pay developers and landlords does
20 not go far enough to create opportunities to build
21 wealth and for people to build equity while living in
22 their city and in their neighborhood; that is a major
23 way of fighting gentrification; instead of being
24 forced out by the market wave, ride the wave and
25 share in the prosperity of their neighborhood.

1 I would also like to say that we heard
2 before that the City cannot mandate through text
3 amendments about local hiring, but isn't it correct
4 that the City can pick the developers that do the
5 work; that is within your power, you can pick these..
6 Who are these developers that claim to be this group
7 of oligarchs that decide what gets built; what
8 doesn't get built? We hear about this battle between
9 affordable units versus good-paying jobs; it is a
10 false question; the real battle is profit versus
11 affordable units and good-paying jobs. [background
12 comments, cheers, applause] So lets leverage our
13 budgetary power and these monies to hire and build
14 capacity with people in the local communities, labor
15 organizations to build capacity to create a new pool
16 of developers that can build in their neighborhood
17 and live in their neighborhood and share in the
18 prosperity of their neighborhood. And I'd like to
19 hear a response from that. Thank you.

21 VICKI BEEN: Okay, thank you. I mean we
22 do use our subsidies in all kinds of ways and the
23 developers who participate in our subsidies to
24 encourage local hiring, to encourage MWBEs; as I
25 mentioned earlier, we put out a specific MWBE [bell]

1 RFQ so that MWBEs could use our programs to try to
2 gain more experience to fill out their resumes and to
3 fill out their experience; we have a local hiring
4 program that's tied to all of our subsidies. But MIH
5 applies to any developer who owns land; it is not a
6 group of developers that we can choose; if they own
7 the land, then they have a right to do with it
8 whatever the zoning allows. So we do not control the
9 identity of those owners; we control the identity of
10 the owners to whom we give subsidies, but that is a
11 different question.
12

13 CHAIRPERSON RICHARDS: Thank you, Council
14 Member Treyger. We'll now go to Council Member
15 Crowley, followed by Johnson and Rodriguez.

16 COUNCIL MEMBER CROWLEY: Good afternoon
17 to both of our Commissioners, Deputy Mayor; I wanna
18 thank the Chair and the Committee for the work
19 they've done on this proposal. I have a number of
20 concerns; I have concerns as it relates to our city
21 resources; earlier we spoke of distributing city
22 resources through development projects in districts
23 that are going to have this mandatory inclusionary
24 housing, but there is no clear way of saying this
25 community will get this amount of resources versus

1 another; my concerns are going to be with how many
2 schools, how many sewers and how many parks you can
3 really build in 51 Council Districts with just one
4 billion dollars. There are three different types of
5 mandatory inclusionary plans, two of which it stated
6 will receive city resources; my concern is with just
7 how much city resources will be given to each
8 project, which isn't stated and is not clear. And
9 your testimony also stated that you could not put
10 labor standards into a mandatory inclusionary housing
11 project, which I certainly don't agree with; I think
12 that the giving of straight city resources, whether
13 it's property or low-interest loans or tax
14 abatements, can indeed come with labor standards.
15

16 [background cheers, applause]

17 So my question is, the likelihood of
18 developers really building Mandatory Inclusionary
19 Housing if there's no 421-a or tax abatement attached
20 to it; have you looked into, because right now there
21 is none and it's clear that the state wants to have
22 labor standards; that's why there's no 421-a, your
23 project does not have labor standards, but it appears
24 that the only way this would be feasible is if there
25 was a tax abatement plan such as a 421-a for

1
2 developers to wanna take advantage of building more
3 units. So one, have you looked at this study and the
4 feasibility of the study if we continue to live in a
5 state that has no 421-a?

6 ALICIA GLEN: Thank you Councilwoman for
7 your questions and I'm gonna try to make sure I touch
8 on all of them.

9 With respect to 421-a, again, as you
10 know, we feel very strongly that we've made
11 significant reforms to the 421-a process to make it a
12 fair tax exemption and to require affordable housing
13 wherever a developer receives a tax exemption.

14 With respect to labor standards and
15 zoning, it may not be something that people wanna
16 hear, but it is not legally permissible to add labor
17 standards to a zoning resolution, so that's not the
18 beginning and the end of the conversation; it's just
19 that this particular mechanism is not the mechanism
20 through which we can enforce labor standards and we
21 continue to engage with your office and with the
22 Council and obviously with the legislature [bell]
23 around improving job quality and job standards across
24 all of our programs.
25

2 With respect to the exact dollar amount
3 or resources and subsidy that would be allocated to
4 this program, the permitted use of subsidy would be
5 dependant on which of the programs that the developer
6 was choosing to enter into which would then be
7 consistent with the amount of subsidy available in
8 the termsheets, so if [background comment] they were
9 building a senior affording housing project under our
10 SARA program, then the maximum dollar amounts
11 available under those programs are contained in our
12 termsheets and we update those regularly; constantly,
13 constantly pushing the envelope to get every single
14 bang for our buck.

15 COUNCIL MEMBER CROWLEY: Right, but... I
16 understand what you are saying as it relates to
17 zoning changes, but the giving of property, the
18 giving of city resources in terms of low-interest
19 loans and tax abatements are all of the giving which
20 could come with labor standards attached to it.
21 Furthermore, this giving has been going on for many,
22 many years; this body, under the previous
23 administration passed a law about transparency that
24 this administration does not want to follow about
25 those city resources that are going into affordable

1 housing projects; we have no idea just how much
2 workers on those projects are making, although this
3 body passed a law to ask for that transparency, but
4 HPD does not wanna give that transparency and then we
5 hear and read in the newspaper of all these different
6 developers getting rich while the workers are not
7 making a livable wage; I mean it goes to your
8 testimony, Deputy Mayor, when you said that you know
9 the cost of living is rising, but the wages are not
10 rising to meet the cost of living; how could we be
11 party to helping this substandard industry grow and
12 workers not receiving a fair wage; not even receiving
13 a livable wage? And we have no idea what wages
14 they're receiving unless the Attorney General
15 investigates and then so often finds that companies
16 are stealing from the workers.

18 VICKI BEEN: So as we discussed, there's
19 nothing in mandatory inclusionary that awards or
20 guarantees any subsidy to any developer; we will be
21 driving the hardest bargain that we can; there are
22 many parts of the city where we will require them to
23 provide the Mandatory Inclusionary Housing without a
24 single subsidy, because that subsidy is reserved for
25 places where it is really, really needed in order to

2 allow the housing to go forward and we will use it to
3 drive affordability levels down and to get more
4 affordability, [background comment] so nothing in
5 this statute, this zoning ordinance guarantees
6 [background comment] or directs any subsidy..
7 [crosstalk]

8 COUNCIL MEMBER CROWLEY: I have to wrap
9 up because the Chairman has... and there are a number
10 of my colleagues with many questions. But in your
11 testimony, Commissioner, you say there are three
12 different types of Mandatory Inclusionary Housing..

13 VICKI BEEN: Uhm-hm.

14 COUNCIL MEMBER CROWLEY: take out the
15 workforce housing; the other two are able to receive
16 city resources; if those other... [crosstalk]

17 VICKI BEEN: We do not..

18 COUNCIL MEMBER CROWLEY: two receive city
19 resources we can indeed attach labor standards to
20 those resources.

21 VICKI BEEN: That is a different question
22 than attaching them here to the zoning ordinance,
23 which does not give any specific incentive.

24 You ask about 421-a; did you want... So we
25 have in fact studied... the 421-a is one tax exemption;

2 we have other tax exemptions -- 420-c and as you are
3 well aware, Article 11, because the City Council has
4 control over the Article 11 standard. So we are able
5 to provide tax exemptions for many of the affordable
6 housing projects or projects involving affordable
7 housing going forward. That said, we think 421-a is
8 a critically important tool; we would like to have
9 that tool back in the toolbox, but in the meantime,
10 while that is being worked out, we will be able to go
11 forward with the vast majority of affordable housing
12 deals that we've always done.

13 COUNCIL MEMBER CROWLEY: Thank you. And
14 just... you didn't answer the question about
15 transparency and why your office is not requiring
16 your developers to share with the City just how much
17 they're paying their workforce.

18 VICKI BEEN: As you know, that's under
19 litigation.

20 CHAIRPERSON RICHARDS: Okay, thank you.
21 We're gonna go to now Council Member Johnson,
22 followed by Rodriguez, Mendez and then Barron and
23 then Ferreras-Copeland and Levin and we are finished
24 with Council Member questions.

2 COUNCIL MEMBER JOHNSON: Thank you,
3 Mr. Chair; thank you Deputy Mayor, Chair Weisbrod and
4 Commissioner Been.

5 I support the thrust of MIH and I think
6 that you all spent an enormous amount of time putting
7 together a very complicated program proposal and I
8 appreciate all the answers to the questions today;
9 I'm not gonna be repetitive; I think we need broader
10 and deeper affordability; I appreciate that you
11 talked about the BSA loophole issue and some of the
12 other concerns that have come up. I have just a
13 couple of specific questions and I'm gonna make sure
14 I stay within my allotted time, 'cause I know other
15 members have questions.

16 One, part of the MIH proposal decreases
17 the requirement of distribution of affordable units
18 in buildings. Right now the requirement is 65%
19 distributed throughout the buildings of affordable
20 units; the proposal pushed it down to 50%. On the
21 West Side of Manhattan in Chelsea and Hell's Kitchen,
22 one of the hottest real estate markets in the City of
23 New York, right now today and for the past 3 years
24 developers agree not the 65% distribution; a lot of
25 developers at the community board, before it comes to

1 the Council, agreed to do 80%, 85%, 90% and 100%
 2 distribution throughout the buildings; you all have
 3 done very good work at coming out against the poor
 4 door concept; we should not have the poor floor
 5 concept in buildings that are affordable buildings;
 6 that's number one, I don't know why the requirement
 7 has gone down and completely taken out for buildings
 8 that include co-ops and condos.
 9

10 Number two, I don't know what happens if
 11 the courts rule that MIH for some reason isn't
 12 workable and we've increased density but don't have
 13 the units; I think Commissioner Been talked about
 14 that before, but I have concerns about that.

15 And then lastly, just to piggyback on
 16 Council Member Crowley's points, there are many
 17 shoddy contractors throughout New York City; they are
 18 exploiting workers, they are stealing wages; last
 19 week a worker on 17th Street in my district fell on a
 20 site and impaled himself seven stories down; we have
 21 had I believe 13 deaths in one year; it is an
 22 epidemic, it is irresponsible and Deputy Mayor Glen,
 23 you were great on New York 1 last night talking about
 24 what the City is doing for crane safety and these
 25 other issues and how the City is taking it seriously,

1 but we need to ensure that workers are protected,
2 they are not exploited, that there's not wage theft
3 and that people actually get paid the wage that they
4 deserve; that is not happening in New York City right
5 now; we're talking about a lot more construction as
6 part of these proposals and I want to ensure that
7 everyone benefits; not just the folks that are gonna
8 get, hopefully affordable units, but the workers that
9 are actually are gonna build the affordable units
10 benefit as well.

12 So if you could talk about the unit
13 distribution decreasing from 65% to 50%, being
14 eliminated for condos and co-ops and also a little
15 bit on what the City's doing to protect workers from
16 a safety perspective and on wage theft. Thank you.

17 ALICIA GLEN: Okay, I'm gonna try to take
18 it in order and be as fast as I can, keeping
19 availability of time. Vicki will talk about the
20 distribution of units in the proposal.

21 VICKI BEEN: So the distribution is
22 required that they be randomly distributed or scatter
23 throughout at least 50% of the floors; right, and the
24 reason that we changed that is better align it with
25 all of the other programs which have different rules.

1 So that is what is going on; we've had very few
2 buildings that have a different distribution; [bell]
3 the ones that you referred to, you know, that's
4 terrific, but... [interpose]

5 COUNCIL MEMBER JOHNSON: I'll show you
6 the numbers -- 2,000 units.

7 VICKI BEEN: That's great. So but you
8 know, we have -- for every unit that opens up we have
9 a 1,000 people applying for that unit and you know,
10 we think it's critical to get this done, to get it
11 done so that programs align and so that we don't have
12 a lot of friction where programs can't be used
13 together.

14 CHAIRPERSON RICHARDS: Thank you, Council
15 Member.

16 COUNCIL MEMBER JOHNSON: No, no; they're
17 answering other questions... [crosstalk]

18 ALICIA GLEN: Okay, I know those are
19 [sic] real quick... sorry, Councilman Johnson; I
20 believe Commissioner Been had discussed earlier the
21 relationship between MIH and density and should there
22 be a legal challenge; that is why in many respects we
23 have exactly crafted at the place where we think it
24 will withstand legal scrutiny and that's why despite
25

1 many of the laudable goals that people have expressed
2 here today about doing more, doing deeper, etc., etc.
3 We have really crafted this and as we see from the
4 chart that we put up prior, this is the most
5 aggressive program in the country, but we also have
6 sort of tested it against, you know, quite an array
7 of constitutional scholars, etc. and we think that
8 it's gonna pass muster and we'll know very soon if
9 there is a challenge and we will fight tooth and nail
10 to make sure it's upheld and if it isn't, we will act
11 accordingly.
12

13 COUNCIL MEMBER JOHNSON: And on exploited
14 workers, shoddy contractors; what's the City doing to
15 crack down... [crosstalk]

16 ALICIA GLEN: Well we happen to share
17 those concerns with you and again, this is not the
18 forum through which we can have a healthy and
19 wholesome discussion around these issues, but again,
20 the Mayor has announced several new initiatives and
21 more to come, particularly around small sites where
22 the vast majority of the accidents actually are and
23 the tragedy that happened in your district. So we
24 are actively working on a whole series of new
25 recommendations to address those issues.

2 COUNCIL MEMBER JOHNSON: There is an
3 epidemic right now in New York City; people are
4 losing their lives and we have to do something about
5 it. Thank you.

6 CHAIRPERSON RICHARDS: Council Member
7 Rodriguez, followed by Council Mendez; then Barron.

8 COUNCIL MEMBER RODRIGUEZ: Thank you.
9 First of all, thank you for your great job that
10 you've been doing in our city; I would like to remind
11 everyone that when you take control of a city, from
12 the Mayor and his team or we as a Council Member in a
13 place where 46% of New Yorkers live in poverty in a
14 time when housing is a crisis, where **[inaudible]**
15 where there were 50... 27 apartments available, 50,000
16 people apply for those, so this is our reality where
17 we, anyone from any level of leadership, from the
18 Mayor to Commissioner to the Council, we are planning
19 and we're trying to address a crisis that we inherit
20 and this is where we are today; 20%... the 80/20
21 formula, building market price apartments, translated
22 into gentrification, and that formula is the one that
23 changed many neighborhoods in our city. Here we have
24 a vision; here we have a plan where as we heard
25 before is open to recommendation, is open to

1 suggestions. You hear through many of my colleagues,
2 yes, how can we work to increase the percentage of
3 affordable for the median [sic] income that we
4 represent. I know that the administration knows that
5 this is important; we heard loud and clear from all
6 the voices throughout the city that we need to
7 continue talking, addressing and planning in a way
8 that districts that we have average incomes of \$30,
9 \$37,000, we need a vision of public dollars and here
10 the Council, we need to allocate from the state for
11 federal funding so that our working class people will
12 stay in our community, but we will do the distance
13 [sic] together.

15 For me, like a few things that I come
16 with my recommendations, one is; I would like to see
17 more investment in infrastructure, such as the
18 Brooklyn and Queens waterfront streetcar, because as
19 we are addressing certain neighborhoods, we have not
20 only to build those buildings, but also we have to
21 invest in the infrastructure.

22 Second, we need to bring more investment
23 on preservation and tenant protection, because my
24 district, Community Board 12 in New York City in
25 Manhattan, we have a higher [sic] percentage

1 regulated apartments, from 2000-2010 we lost 14,000
2 residents in my district; most of them left because
3 they couldn't afford to pay the rent; in those years
4 we only received 250 affordable apartments built in
5 those previous administrations.
6

7 So what I am saying; the conversation
8 that we've been part of, through a whole community
9 board, [bell] led by the administration, they are
10 very important and I am confident the administration,
11 they are listening to our voice and this is only a
12 beginning of something that I know that is coming to
13 bring a solution to a housing crisis that we inherit
14 and for me, my whole question is; how we're gonna be
15 able to be more balanced to increase the affordable
16 and also to plan what are the tools that we're gonna
17 be using to build based on those lower averaged
18 incomes in areas such as the ones that average in
19 Queens, \$37,000.

20 ALICIA GLEN: Well first of all,
21 Councilman, thank you very much for your broad-base
22 support and of course you know we appreciate your
23 support on our idea to construct a streetcar along
24 the Brooklyn and Queens waterfront; a great step
25 forward for those communities as well. We agree that

1 all of our zoning actions need to take into account
2 the strain on our existing infrastructure in addition
3 to being thoughtful about making new investments in
4 infrastructure so that our neighborhoods can only be
5 stronger.
6

7 With respect to preservation, we agree
8 wholeheartedly that there has not been enough of a
9 focus on making sure that every single unit of
10 affordable housing, whether that's rent-regulated
11 housing or housing that has been built under various
12 programs is preserved; we simply cannot see one more
13 unit go out regulation and that's why the Mayor has
14 been so committed to a balanced housing plan that
15 emphasizes both new development as well as preserving
16 affordable housing strategically and proactively and
17 I think you've seen some of the fruits of that labor
18 over the past year or two and you'll continue to see
19 more as HPD rolls out more programs, our relationship
20 with other agencies grows stronger in terms of
21 enforcement, but also directing our resources towards
22 preservation.

23 I think that, you know the challenge that
24 we face is that despite having doubled the amount of
25 money that we've put into the City's budget for

1 housing, we live in a nation that has not taken
2 affordable housing as a priority, as a serious
3 priority. And as you know, in order to serve our
4 very, very lowest income families, families who are
5 making \$18,000, \$20,000, \$22,000 a year, to be able
6 to run the building you need to have rental
7 assistance, right, it costs \$600-700 a month to run a
8 building; that's just the truth, and if people can't
9 afford to pay that rent, we need to bridge that gap
10 through operating subsidy and that's why all of us in
11 this building and in the city have to fight tooth and
12 nail to have the federal government recommitment to
13 going back into the business of providing rental
14 assistance. But we're not laying up, we're not
15 giving up and in fact that's why we have launched our
16 own sort of New York City Section 8 program and why
17 in order to serve as many low-income people as we as
18 a city can, we need things like Mandatory
19 Inclusionary Housing because that will mean that
20 we'll get a whole bunch of affordable units that we
21 would've otherwise had to pay for under the prior
22 regime; take that money and reallocate it into the
23 programs that HPD has been so successful in launching
24 over the past year, so we wanna work with you to
25

1 fight tooth and nail for every resource for
2 affordable housing at the local, state and federal
3 level.
4

5 CHAIRPERSON RICHARDS: Thank you, Council
6 Member Ydanis Rodriguez. Now to Council Member
7 Mendez, followed by Barron and Levin. We are also
8 joined by Council Member Mathieu Eugene from
9 Brooklyn.

10 COUNCIL MEMBER MENDEZ: Thank you, Chair.
11 Commissioner Been, Deputy Mayor Glen and Chair
12 Weisbrod, yesterday in an article in *DNAinfo* it was
13 reported that the City approved oversight development
14 without requiring the affordable housing in my
15 district, 84 3rd Avenue, 152-154 2nd Avenue, 118 East
16 1st Street and 64 Avenue C. So what is being done to
17 get my district the affordable units it's owed and
18 how do we guarantee this does not happen with ZQA and
19 MIH? How do we ensure that buildings are not built
20 without the units and then developers go to the BSA
21 to get out of the inclusion of affordable units and
22 what punitive measures if any will get implemented
23 when someone with or without intent circumvents the
24 City's attempt to build affordable housing, because
25 developers bank on DOB getting it wrong and if it's

1 through in further detail with the City Council, but
2 we will take firm, swift and very harsh action
3 against anybody who tries to get around the rules.
4 Thank you.

5 COUNCIL MEMBER MENDEZ: And when...

6 [crosstalk]

7 CARL WEISBROD: And Coun...

8 COUNCIL MEMBER MENDEZ: Just to follow
9 up, on DOB error; how will we get DOB to be
10 accountable?
11

12 VICKI BEEN: So I mean we are working
13 very closely with DOB to make sure that we know what
14 they're doing and can check it against our records
15 and can check it against our processes and building
16 our technology so that they talk to each other and so
17 that we can see that in a seamless way.

18 CARL WEISBROD: And Council Member, as I
19 stated earlier, [bell] we have tightened up, because
20 of comments we've gotten from the communities, the
21 BSA process considerably to assure that an applicant
22 could only demonstrate hardship if that hardship is
23 solely due to the requirements of Mandatory
24 Inclusionary Housing and even in those cases to
25 assure that the applicant would only receive the

1 minimum relief necessary in order to assure that they
2 could go forward, and even including, if necessary,
3 the right and ability of HPD to provide a subsidy, if
4 necessary, to assure that affordable housing could
5 occur. So we think that BSA process, which is
6 required in order to assure that a property owner
7 would be able to develop its property, but to assure
8 also that that would imply in a most limited number
9 of cases and with the most limited relief possible.

11 CHAIRPERSON RICHARDS: Thank you, Council
12 Member Mendez. We will now go to Council Member
13 Barron and then lastly, Council Member Levin.

14 COUNCIL MEMBER BARRON: Thank you,
15 Mr. Chair. Thank you to the panel for being here.

16 We know that the lowest income New
17 Yorkers are the ones that are most in need of housing
18 and it's manifested by the burgeoning number of
19 homeless and the expanding number of shelters; many
20 of them very poorly operated, but the City apparently
21 is transferring the responsibility from housing from
22 City construction to private and not-for-profit
23 developers. At last week's education hearing, it was
24 cited that 48% of New Yorkers are at or below the
25 poverty level, so we need deeper and more affordable

1 housing. I would suggest that we eliminate the
2 option that considers 100% of the AMI to be in need
3 of affordable housing as a part of the plan, and as
4 the Public Advocate indicated, affordable housing
5 previously had been offered to people not just at
6 200% of the AMI, but \$200,000 in income; just wanted
7 to clarify that.
8

9 I don't believe that averaging the AMI
10 will provide for people at the lower level to be
11 included; what you're gonna have is a bunching of
12 people at the 60% AMI, so you might have 90% at 60%
13 of the AMI and only 5% at 55% of the AMI and the
14 other 5% at 65% of the AMI. I think we need to have
15 bands, we need to have a designated band of income;
16 not averaging.

17 The BSA, with HPD input, will determine
18 appeals for hardship, but what is a reasonable rate
19 of return; how much of a profit should a developer
20 make before it's considered to be a hardship for him?
21 Glad that the HPD is included, but unscrupulous
22 developers can apply for hardship, pay into a pilot,
23 which is a very vague kind of structure that we have,
24 delay a project and then 10 years later ask for that
25 money to be placed elsewhere in the borough.

1 And I think we should eliminate off-site;
2
3 there's no ability to require that the same amenities
4 be built in the off-site provision and in terms of
5 on-site, we need to be able to make sure we don't
6 move from a poor door to a poor floor or a poor
7 apartment band [sic], as has been cited.

8 And I'm so glad that people brought up
9 the East New York plan; I do have some charts I would
10 like to share with you. [background comments,
11 cheers] I was a teacher, so I like visuals. In East
12 New York the median family income is -- 53% of East
13 New Yorkers are below \$35,000, [background comment]
14 50%, 53% are below \$35,000; 15% presently are from
15 \$35-50,000; 14% from \$50-75,000, and 17% are \$75,000
16 and up. So this is what East New York looks like
17 now. I'll leave that for reference. [background
18 comment][bell]

19 The proposal will bring this chart to
20 East New York; the proposal will bring 60% at 78 and
21 above, 13% for people up to 35 -- remember that used
22 to be 53%; it would be 13%; it would be 27% for 35-52
23 and it would be 10% from 52-78. So when we put these
24 side by side, you can see that there's a big
25 difference, so we're talking about having income

1 diversity, but what's happening to that small group
2 of people who presently live there? So it's a major
3 problem; the community board was not in favor of the
4 project and there's much that needs to be done; we
5 need much deeper levels if we're going to go forward
6 with this plan, and of the 6,000 units that they
7 wanna build to East New York, 50% [sic] is set aside
8 for market rate; that's a problem. Thank you,
9 Mr. Chair.

11 [background comments, applause]

12 CHAIRPERSON RICHARDS: Thank you, Council
13 Member Barron. If you wanna respond.

14 [background comments]

15 ALICIA GLEN: Commissioner Been will talk
16 a little bit about the plan, particularly for East
17 New York.

18 VICKI BEEN: So what we have committed to
19 do is that any building that receives any of our
20 financing will be a 100% affordable at a range of
21 incomes; we've committed that we will use on private
22 land, for example the large piece of public land that
23 we have available, that we will do 15% at 30% AMI;
24 10% at 40% AMI, and so on. Again, MIH is one tool;
25 we have to use all of our tools to address the needs

1 of communities like East New York and we're committed
2 to doing that. We appreciate all the work that we've
3 done with you to try to do that and we will try to do
4 even more.

5
6 You ask about the averaging and I wanna
7 make clear something that we talked about earlier.
8 We required that the two options be at an average of
9 60 and an average of 80 in order to provide
10 flexibility; we are perfectly willing to discuss with
11 the City Council if you think that that gives too
12 much flexibility, if you want to have a certain band,
13 we can discuss that; we were trying to give you as
14 much flexibility as possible; we are willing to
15 discuss ways of being more specific about that.

16 COUNCIL MEMBER BARRON: Thank you, but
17 that project that you're talking about is one site
18 and that's where the ELLA development would be;
19 you're not addressing the other sites that -- because
20 East New York, those sites that you cited are mostly
21 privately held; they're not City-owned sites, so
22 that's one location that you're talking about; gonna
23 be a conversation [sic]... [crosstalk]

24 VICKI BEEN: I wanna be clear; the one
25 piece of public property... [crosstalk]

2 COUNCIL MEMBER BARRON: Yes.

3 VICKI BEEN: that we are talking about,
4 we are going way beyond ELLA; we will use ELLA on
5 some of the private lane, but we went beyond ELLA on
6 that private piece of land, I mean on that public
7 land, sorry... [crosstalk]

8 COUNCIL MEMBER BARRON: Yes, but again
9 it's only one location.

10 VICKI BEEN: Yeah, that's... that's what we
11 have.

12 COUNCIL MEMBER BARRON: Thank you.

13 CHAIRPERSON RICHARDS: Thank you, Council
14 Member Barron. Now Council Member Levin last.

15 COUNCIL MEMBER LEVIN: Thank you very
16 much, Mr. Chairman; thank you, Commissioners; Deputy
17 Mayor.

18 I wanna turn back the clock for a minute
19 here and ask about older rezonings that happened in
20 my district under the previous administration.

21 Greenpoint-Williamsburg rezoned 2005,
22 very large rezoning along the waterfront; Downtown
23 Brooklyn rezoned 2004, very large rezoning down
24 there; both have produced thousands and thousands of
25 units of market rate housing and I just wanted to

1 ask, if you've looked at it; how would those
2 rezonings have been different in terms of the number
3 of affordable units realized if there had been
4 Mandatory Inclusionary Housing, or what would the
5 different have been for the numbers that they
6 produced under that zoning versus under a mandatory
7 inclusionary framework?

8 ALICIA GLEN: So I think... I'm glad you've
9 actually brought up what in many respects is what is
10 fundamentally different about what this
11 administration is proposing to what had been done in
12 the prior administration; right? I look at that
13 Greenpoint-Williamsburg rezoning and I think, what an
14 extraordinarily missed opportunity to have harnessed
15 the value of the real estate market to create
16 permanent affordable housing. So as I understand --
17 and we're getting the statistics and we'll make sure
18 that it's absolutely correct, but under the
19 Greenpoint-Williamsburg rezoning, about 15% of the
20 overall production was affordable, so under our
21 proposal, right, which is a fundamental game-changer,
22 right, the floor, the minimum amount of affordable
23 housing that would've been developed in each of those
24 new projects would've been at least 25%, and again,
25

1 that's the floor, because it doesn't mean we wouldn't
2 have worked with owners to do increased affordability
3 within any given project. So I don't have the
4 denominator in front of me, but it would've been at
5 least 10% better than it was and it wouldn't have
6 been a question about community waiting to see
7 whether or not somebody opted into the program; every
8 single time somebody pulls a building permit they
9 have to do affordable housing and that's when it gets
10 back to why we need to do this and we need to act now
11 so that no other community looks back 10 years from
12 now and says, how did we blow that; how did we miss
13 this extraordinary chance?

14
15 COUNCIL MEMBER LEVIN: And I think
16 Downtown Brooklyn was actually probably worse, but in
17 my remaining time I just wanna turn to another aspect
18 of that rezoning, which was the amenities with
19 Greenpoint-Williamsburg rezoning and I know in your
20 one-pager on Housing New York, you know, there's a
21 set-aside for a billion dollar fund for neighborhood
22 improvement -- one of the main reasons why the
23 Greenpoint-Williamsburg rezoning passed in the first
24 place, passed through this body, passed out of City
25 Planning, was the creation of a 27-acre park in the

1 middle of the rezoning; at this point only about 60%
2 of that "park" is acquired; there's a huge parcel,
3 11-acre parcel [bell] that is yet to be acquired and
4 obviously we have been having this conversation for a
5 while now; what's the plan there and how does that
6 experience inform how you're looking at future
7 rezonings, 'cause obviously that's not a situation
8 you wanna be in 10 years from now where the amenities
9 that the rezoning is gonna be predicated on, any
10 rezoning that you do is gonna be inextricably linked
11 to the amenities that are part of that rezoning. If
12 you have an amenity that never gets realized, you
13 know, that's not a situation you wanna be in. So
14 what do you plan to do about that one in particular
15 now and how is that informing your view of future
16 rezonings?
17

18 ALICIA GLEN: Well we agree with you,
19 absolutely, that in order to, as I say, you know,
20 restore a contract with community you have to be able
21 to deliver on your promises and so not only are we
22 saying there's a billion dollars allocated, which is
23 on top of the regular capital budget to target
24 specific projects that are generated out of the
25 community planning process in the various

1 neighborhoods, but we also have to develop a
2 mechanism that it has transparency and
3 accountability, because otherwise... then how are we
4 moving the ball forward; how are we actually avoiding
5 the mistakes or prior administrations. So I don't
6 believe you were in the room when we discussed the
7 mechanisms through which we will track those
8 commitments and make sure the communities aren't sold
9 a bill of good.

11 COUNCIL MEMBER LEVIN: I mean we're able
12 to track it reasonably well, I mean we know exactly..
13 we've acquired about 60% of the park, but that's not
14 the same as, you know, biting the bullet and
15 acquiring the other 40%.

16 CARL WEISBROD: I would say, Council
17 Member, that again, as we mentioned earlier, that's
18 really one of the main reasons we really created the
19 Neighborhood Development Fund so that there would be
20 a segregated pot of money that would provide a degree
21 of security and assurance that the commitments that
22 we make will be kept. We're very familiar, not only
23 with the Bushwick Inlet Park, but the history of
24 failed promises going way back. We want to avoid
25 that; we've established a fund that we think will

1 enable us to do that; it is subject, as we all know,
2 to the appropriation process, which you have a degree
3 of control over, and you as a Council body have a
4 degree of control over and I will say that beyond the
5 Neighborhood Development Fund we are increasingly
6 working closely between City Planning and the Office
7 of Management and Budget to make planning a key part
8 of our capital budget strategy so that the public
9 investments in neighborhoods that are growing get
10 made.
11

12 COUNCIL MEMBER LEVIN: And if I might
13 just make a respectful recommendation; we need to as
14 a city make good on all of those promises that were
15 made even under a prior administration before we move
16 on to new commitments. Thank you.

17 CHAIRPERSON RICHARDS: Okay. Well I
18 wanna thank Deputy Mayor Glen, Chair Weisbrod and
19 Commissioner Been for coming out today to start this
20 conversation as the 50-day clock certainly starts; I
21 think one thing is clear that obviously the voluntary
22 program has not done what we needed it to do and
23 that's obviously why we're here speaking of a
24 mandatory framework. I do wanna applaud the de
25 Blasio Administration for the amount of outreach that

1 they did in particular on the proposals, going to
2 just about every community board, every part of the
3 earth, including the Rockaways. So I'm very happy
4 and we look forward to continuing to work with the
5 administration to certainly strengthen this program;
6 I think we all share the goal of certainly a
7 mandatory program; I do wanna say out of all the
8 cities that we have looked at with this program; this
9 is truly the strongest that I've seen, but we also
10 need to strengthen it and make it better and I look
11 forward to working with you along with my colleagues
12 and I think The Speaker said it well, to shape a
13 program that works for just about everyone; we will
14 not make everyone happy, but we certainly want to see
15 this program strengthened.

17 Just some things that were touched on
18 today, certainly the preservation option I think is
19 something that's important for us and also the need
20 for other options that we think can survive a legal
21 challenge as we move forward, and also the
22 conversation around local jobs, MWBEs and
23 infrastructure is certainly something that many
24 members said today and that is something that's
25 important in particular to this Council. So we look

1 forward to continuing to work with you truly to
2 achieve income diversity across our city without
3 displacing the many residents that have certainly
4 stayed in these places during the roughest times and
5 wanna be around to enjoy it when more subsidy and
6 more dollars are being put to invest in these
7 communities who all needed it. So we appreciate once
8 again the de Blasio Administration's commitment; this
9 conversation was not happening as robustly in prior
10 administrations and we recognize that; this
11 administration certainly has raised the bar along the
12 lines of this conversation and we look forward to
13 working with you to craft a program that will be
14 inclusive of all New Yorkers. So we wanna thank you;
15 I'll allow you to have last comments and then we will
16 start to certainly get to the public. I wanna thank
17 the public for their patience; never easy to get
18 through almost all 51 council members, but I think we
19 did pretty well considering. I will now allow the...
20 [interpose]

22 ALICIA GLEN: Well all I wanna say is
23 thank you very much, Chair Richards for allowing us
24 to have a really full discussion today and I think we
25 do all share this incredible common goal; this is the

1 beginning of the 50-day process and we look forward
2 to having ongoing conversations with you. And again,
3 it has been an extraordinary pleasure to work with
4 each and every member of the Council to understand
5 what their concerns are and we will continue to work
6 in earnest over the next 50 days to make sure we have
7 a program that will continue to make New York not
8 just the greatest city in the world, but the most
9 thoughtful and progressive when it comes to housing
10 policy, 'cause that actually has been one of the
11 hallmarks of the city and working with this mayor who
12 cares deeply about this issue and knowing how much
13 you share is really an extraordinary opportunity for
14 New York to write the next chapter of our history and
15 yes, please get to the public and we're gonna go to
16 the bathroom now. So thank you very much.

17 [laughter]

18 CHAIRPERSON RICHARDS: I have some
19 Swedish fish if you're hungry up here. [background
20 comments] Thank you. Thank you.

21 We are now going to go to... we're gonna
22 start with two panels, we're first gonna hear from
23 our Manhattan Borough President Gale Brewer who's in
24 attendance and then following her, after she's
25

1 finished, we will hear from Colvin Grannum from the
2 Bedford-Stuyvesant Restoration Corporation; Chris
3 Widelo of AARP; Rafael Cestero of the Community
4 Preservation Corporation; Elizabeth Strojan of
5 Enterprise, and Adam Weinstein of Phipps.

6 [background comments]

7 CHAIRPERSON RICHARDS: Alrighty, if I can
8 ask everyone to settle down; we are now going to hear
9 from our Manhattan Borough President Gale Brewer, if
10 everyone can settle down. Stretch, but if you can
11 stretch quietly. Thank you.

12 BOROUGH PRESIDENT BREWER: Go ahead?

13 CHAIRPERSON RICHARDS: Alrighty, you may
14 begin, Madame Borough President.

15 BOROUGH PRESIDENT BREWER: Thank you,
16 Mr. Chair, thank you for the opportunity to testify
17 today on the Mandatory Inclusionary Housing program.
18 I think most know that I'm the only borough president
19 who has voiced conditional support for MIH and we did
20 it after much community input work, negotiations and
21 consideration, so I'll do three things in my
22 testimony today; one talk fast.

23 First, briefly go over the lay of the
24 land or at least the very expensive land in my
25

1
2 borough as it relates to the construction of new
3 affordable housing. Two, explain why I gave
4 conditional support; three, share my thoughts on what
5 changes are necessary to make this a program that
6 will really benefit our city.

7 Currently the MIH program, if it becomes
8 law, there will be two types of inclusionary housing
9 programs in New York City, as you know -- voluntary
10 and mandatory. The existing voluntary program offers
11 developers a benefit, additional zoning density, as
12 we know, if they provide affordable housing with a
13 market rate project; they can get this in areas zoned
14 for the voluntary inclusionary housing program and in
15 all R10 zones, and I have a big map here; these make
16 up about 20% of Manhattan.

17 The City needs a Mandatory Inclusionary
18 Housing program and I've been calling for two things
19 if we go forward: 1. requiring affordable housing to
20 be built whenever there is a new residential
21 development and especially when special permits allow
22 the building of housing where it wouldn't otherwise
23 be allowed; that is incredibly important; 2. fixing
24 the opt-in voluntary affordable housing program where
25 developers get bonuses for building affordable

1 housing; this opt-in program covers significantly
2 more territory in Manhattan than the contemplated
3 neighborhood rezoning such as in East Harlem will
4 cover.
5

6 Based on my belief that only with two
7 strong programs, mandatory and voluntary, can we hope
8 to construct a meaningful amount of affordable
9 housing; I support for the following reasons: 1. In
10 addition to neighborhood rezoning, this program would
11 apply to all special permits by private developers to
12 add more than 10 residential units of housing; maybe
13 that could go lower; 2. I have a commitment from City
14 Planning and HPD to craft changes to the voluntary
15 affordable housing programs and boy do they need it.
16 These changes would result in developers being
17 required to build more affordable housing when they
18 take advantage of these programs and to get rid of
19 poor doors, poor floors, poor everything; 3. I have
20 received a commitment from City Planning and HPD to
21 work with neighborhoods on strategies to apply the
22 mandatory program in a way to get more housing at the
23 higher and lower ends of the AMI, and we talked about
24 that earlier; 4. I have a commitment from the City
25 [bell] to work towards a higher percentage in

1 voluntary and mandatory if the off-site option is
2 used, and I don't love that option; 5. I have gotten
3 commitments that will go a long way to ensuring that
4 the Affordable Housing Fund, funded by smaller
5 projects, will be used in the community where the
6 money was generated; not somewhere else, and
7 secondly, as part of this, that the BSA hardship
8 waiver, which you could currently drive a Mack truck
9 through, for the program have been significantly
10 tightened at my insistence in the language that the
11 Commission has sent to you; that's why I have
12 conditional support.
13

14 Let me just be clear what the issues are
15 really fast in terms of Tweets [sic]. We need to
16 ensure that we are not leaving affordable housing on
17 the table in the very expensive Manhattan; if we do
18 not believe we can require affordable housing with
19 all new residential construction over a certain size,
20 even the as-of-right -- and of course if I had my
21 way, it would all be mandated, but we're not doing
22 that; we have legal challenges and we need something
23 else -- percentages of affordable housing in the
24 mandatory inclusionary areas of Manhattan that are
25 maximized under every option, including special

1 permit applications; that means lowering the
2 threshold from the current 10 units or 12,500 sq. ft.
3 and seeing if we can go even higher than 30%
4 affordable, especially in markets such as Manhattan.
5 I know the Progressive Caucus has stated that this
6 should be; they recommend 6 units and NoHo and SoHo
7 would definitely be part of the program if we did it.
8 Number two, we talked about AMI, it was covered
9 earlier; I agree with what was said by the Council
10 Members. Number three, as was said earlier, we have
11 to have very strong anti-harassment provisions,
12 otherwise we're not gonna preserve anything. Number
13 four, must be integrated --we talked earlier about
14 this -- so we don't have poor anything.

16 And finally, HPD and City Planning have
17 agreed on the following safeguards for the MIH
18 Payment in Lieu Fund, which requires money to be
19 contributed by smaller projects to fund affordable
20 housing.

21 1. The money has to stay in the community
22 for 10 years.

23 2. They have to always remain in the
24 borough.

1
2 3. These provisions should be put in the
3 zoning text; not anywhere else, this must happen.

4 I just wanna conclude by saying
5 construction safety is a huge issue; without getting
6 into the specifics, we have a task force; if we're
7 building all this housing, as was mentioned earlier
8 by Corey Johnson, it has to be safe, and number two,
9 don't forget about saving the mom and pops in new
10 housing; it is very important to have our local
11 stores to be part of this plan and transparency; it
12 was said earlier, is extremely important for the
13 alphabet soup that all of these buildings are gonna
14 be dealing with in the past and in the future.

15 Thank you for the opportunity, I look
16 forward to working with the Council on this important
17 program and Mr. Chair, you have done a great job of
18 reaching out. Thank you very much.

19 CHAIRPERSON RICHARDS: Thank you,
20 [applause, cheers] Madame Borough President. Just
21 two questions; wanted to go into your thought process
22 on -- with conditional support for this particular
23 program you mentioned lowering the threshold from 10
24 units down to 6 in support of certainly what the
25 Progressive Caucuses raised as well; why is that

1 important, would you say and then lastly, I wanted
2 you to go into -- what did I write here -- alright,
3 so you mentioned keeping the money in the community
4 districts for at least 10 years; did you give any
5 thought to -- and I know this is an issue you raised
6 in the past on lowering the amount of years the money
7 would stay in the community to five so that the money
8 is actually spent a little -- well I don't wanna
9 quote you on saying five, but certainly lowering that
10 number to ensure that the money is spent... [crosstalk]

12 BOROUGH PRESIDENT BREWER: I mean we have
13 a situation on the Upper West Side now where there's
14 \$50 million that cannot be spent because there's no
15 place to put it in terms of building new affordable
16 housing. So the issue is -- I mean I think 10 years,
17 it does take a while sometimes to get the right
18 building to be part of that neighborhood in super
19 gentrified areas, so we're open for discussion on
20 that; I do think sometimes things take a long time to
21 get the right building.

22 In terms of the smaller units, this is a
23 big issue in NoHo and SoHo; right now we have
24 projects that if MIH was in existence, then we would
25 have affordable units in this community; right now

1 they're not mandated to do it. So I think that the
2 smaller units make sense, but it also should be based
3 on square footage in addition or as an alternative or
4 maybe better than the number of units. Some of these
5 new units that are coming in are 6,000 sq. ft. ;
6 that's huge, for the richer people, and they're able
7 to get around some of these suggestions that are
8 being made. So I would like every special permit to
9 include some kind of affordable housing and that's
10 what we're trying to get at.

12 CHAIRPERSON RICHARDS: Thank you. Any
13 questions from my colleagues to the Manhattan Borough
14 President? Okay, if not... thank you so much...
15 [crosstalk]

16 BOROUGH PRESIDENT BREWER: Thank you very
17 much, Mr. Chair.

18 CHAIRPERSON RICHARDS: Madame Gale
19 Brewer, Borough President. Alright, we'll now hear
20 from the next panel, Colvin Grannum from the Bedford
21 Stuyvesant Restoration Corporation; Chris Widelo of
22 AARP; Rafael Cestero of Community Preservation
23 Corporation; Elizabeth Strojan of Enterprise, and
24 Adam Weinstein of Phipps, and then we are moving into
25 an opposition panel.

2 And if you can introduce yourselves for
3 the record before you start your statements and we're
4 really gonna keep people on the clock, so if you have
5 a long testimony, we ask you to make the very points
6 that you're trying to get across to us. Thank you.

7 COLVIN GRANNUM: Good afternoon, Chairman
8 Richards. My name is Colvin Grannum; I'm the
9 President and CEO of Bedford Stuyvesant Restoration
10 Corporation.

11 Bedford Stuyvesant Restoration
12 Corporation is recognized as the nation's first
13 community development corporation. We are a
14 comprehensive CDC, providing a range of services,
15 including arts and culture, job training and
16 placement, affordable housing, commercial real
17 estate, and energy conservation.

18 As a housing developer, Restoration has
19 participated in the development of more than 2,500
20 units of housing, including low-income rental and
21 moderate-income home ownership. Over the past decade
22 we have deepened our focus on human capital and
23 promoting upward mobility for low- and moderate-
24 income households by adopting evidence-based programs
25

1 involving financial coaching, job training and
2 placement and income supports for workers.

3
4 I'm here to commend Mayor de Blasio and
5 his administration for proposing a Mandatory
6 Inclusionary Housing initiative that pursues a vision
7 of New York City intended to promote social and
8 economic equity for low- and moderate-income New
9 Yorkers through upward mobility. Achieving economic
10 diversity in neighborhoods across the city is a key
11 factor in whether all New Yorkers have a realistic
12 opportunity for upward mobility.

13 I'd like to start by saying that I see
14 MIH as an additional tool and a desperately needed
15 one for creating housing for low- and moderate-income
16 residents. I certainly agree that we need an
17 aggressive program to reach very low and extremely
18 low-income residents; that's not up for debate; the
19 question is whether MIH is the most effective tool
20 for doing that.

21 The situation facing communities in
22 Central Brooklyn is urgent; in my personal and
23 professional lives I am familiar with Northern and
24 Central Brooklyn, communities of Fort Greene, Clinton
25 Hill, Bedford Stuyvesant, and Crown Heights and if

1 that's 50 seconds, I'd better skip a couple of things
2 here.
3

4 So let me just talk about those
5 communities really quickly, because reference has
6 been made to the rezonings that took place in those
7 communities in 2007 and 2012 and since that time,
8 since those rezonings, close to 2,000 residential
9 units have been built or are currently under
10 construction; of those, only 130 are affordable
11 units, 45 of which are permanently affordable, with
12 the rest subject to regulatory agreements that expire
13 after 30 years. Had MIH been in place for those
14 projects as it is currently proposed by the de Blasio
15 Administration, 13 times more permanently affordable
16 units would be available or approximately 590 units.

17 [bell]

18 Similarly, since the Fort Green rezoning
19 in 2007, 250 residential units have been built or are
20 currently under construction; of those, only 93 are
21 affordable and I think most of those, the predominant
22 number were built by a non-profit, and only 71 of
23 those are affordable. Had MIH been in place for
24 those projects, 4 times more units would be

1 permanently affordable; that's about 286 and these
2 just... [crosstalk]

3
4 CHAIRPERSON RICHARDS: Gonna ask you to
5 start wrapping up.

6 COLVIN GRANNUM: okay and these are just
7 a couple of examples. So my point really is; we need
8 to do something now and the real estate market is
9 ahead of us and every day that goes by that we don't
10 intervene to serve some residents, regardless of
11 income, is a day where residents who need housing are
12 excluded.

13 [applause, background comments]

14 ADAM WEINSTEIN: Mr. Chairman, members of
15 the Council, I'm Adam Weinstein; I'm the President of
16 Phipps House and Chair of its human service
17 affiliate, Phipps Neighborhoods. Phipps Houses is
18 like Bed-Stuy Restoration, a provider of both
19 affordable housing and community services in less
20 advantaged neighborhoods that haven't seen their
21 share of the pie in New York. I'll be very brief.

22 I do want to emphasize, as others have,
23 that MIH is an effective tool particularly in
24 neighborhoods where the market is particularly strong
25 and the economics, I can't speak to the nexus issues,

1 the land use issues that have been examined, as
2 Colvin mentioned, I can speak to the economics of
3 being able to reach a deeper level of affordability
4 within neighborhoods where the ability to cross-
5 subsidize exists. And it's important to bear in mind
6 that less important than the construction cost is the
7 operating cost of those units, because a unit at 30%
8 or 40% of area median income, critically important
9 units that Phipps wants to build and households that
10 Phipps wants to serve simply can't pay for the cost
11 of operating the apartment to provide good labor to
12 keep it clean and well maintained, to heat it, to
13 insure it, to pay water and sewer; the economics
14 there require there be a subsidy ongoing annually and
15 it's a poor use in my view of Section 8 resources
16 that are, as we all know, are very, very scarce.

18 The second point I'd like to make is at
19 the same time I don't want to forget about households
20 earning above 60% of area median income up to
21 probably about 80% or 90% of area median income. As
22 a housing practitioner, the availability of units
23 below 60 is subsidized essentially by the federal
24 government in the form of a low-income housing tax
25 credit. If you make one dollar more than 60% of the

1 area median income, the project's feasibility drops
2 by half; the sources of funds to build the project
3 drops by half. So it really is a -- I refer to it --
4 it's not really a donut hole; it's more like a
5 Dunkin' Munchkin'; it's the portion of households
6 that earn \$10,000 more than 60 of area median for a
7 household of four, so it's not a great deal of
8 income, who are struggling to make ends meet and
9 there is a poor supply of housing available to serve
10 that need.

11
12 And then finally, there has been
13 discussion -- I don't know if this has been addressed
14 by prior speakers; Colvin touched on this -- the
15 immediacy of this issue is critical and I really do
16 appreciate the Council's thoughtful input in the
17 session that I've been listening to; it is important
18 that we do this now; there has been some discussion
19 [bell] that this be linked to 421-a; the vast bulk of
20 affordable housing units, new construction to serve
21 an expanding New York City is not produced by 421-a,
22 it's produced by the programs of HPD and the tax
23 abatements for those are available -- 420-c, Article
24 11 abatements. So the notion of delaying this I
25

1 think -- modifying it is your province, but delaying
2 it seems unwise.
3

4 CHAIRPERSON RICHARDS: Thank you.

5 ELIZABETH STROJAN: Hi, good afternoon.
6 My name is Elizabeth Strojan and I lead the Public
7 Policy work for Enterprise Community Partners' New
8 York office. We're a non-profit affordable housing
9 organization that's worked to create and preserve
10 affordable housing here in New York and nationwide
11 for 30 years. Thank you all for the opportunity to
12 be here.

13 I'm going to, in under three minutes,
14 sneak in my approval of both the Mandatory
15 Inclusionary Housing program and Zoning for Quality
16 and Affordability because I have jury duty; I can't
17 come back tomorrow.

18 So we support these proposals for three
19 main reasons. Number one, they increase the supply
20 of affordable housing. Given the incredible demand
21 for affordable housing and our shrinking resources to
22 address the issue, we must both harness the resources
23 from the private market and reduce costs of
24 development. MIH sets a new baseline threshold for
25 private sector contribution to affordable housing.

1 Development is happening and it must happen to meet
2 the growing population of our city so it's important
3 to include developer provided affordable housing
4 along with that.
5

6 Secondly on reducing costs, we believe
7 that ZQA will help reduce some of the onerous
8 requirements that go into building a affordable and
9 senior housing; reducing parking requirements for
10 senior housing near transit is a no-brainer, it's
11 low-hanging fruit; we know, thanks to a study by
12 LiveOn New York that many parking lots next to senior
13 housing developments are empty; meanwhile, a 100,000
14 New York low-income seniors are waiting for those
15 apartments.

16 Third, we believe that MIH will promote
17 the goals of fair housing by providing opportunities
18 for low- and moderate-income families to move to or
19 stay in affluent and gentrifying communities, close
20 to good schools and other amenities.

21 And to address the concerns about
22 affordability levels and neighborhood input, first we
23 believe that any -- I know that you guys are going to
24 consider changing some of the policies here and I
25 just wanna encourage you to make sure that we have a

1 balance between the cost of building and operating in
2 perpetuity these units along with the desire to reach
3 deeper affordability levels and I'm sure that's gonna
4 look different in every neighborhood. So as we talk
5 about neighborhood rezonings and rolling this out in
6 communities, Enterprise will be there to support our
7 non-profit affordable housing CDCs working on the
8 ground and in hopes that they will be involved in
9 these conversations, they're an excellent resource
10 that should be tapped as we think about best design
11 neighborhood by neighborhood.

12
13 So in conclusion, while we continue to
14 advocate for additional public resources, we're very
15 busy in Albany and we're very busy in D.C.; we cannot
16 let this opportunity to have these additional tools
17 in our toolbox available to get more affordable
18 housing. Thank you.

19 CHRIS WIDELO: Good morning... Good
20 afternoon, sorry, Chairman Richards and members of
21 the Council and the Subcommittee on Zoning and
22 Franchises.

23 My name is Chris Widelo and I am the
24 Associate State Director for AARP here in New York
25 City. [bell] AARP is a non-profit, social mission

1 organization; we have over 38 million members
2 nationwide and 800,000 members residing in the five
3 boroughs of New York City, and I'm also thankful for
4 the many volunteers that I had show up throughout the
5 day today to talk about Mandatory Inclusionary
6 Housing and AARP's support for this proposal.

8 AARP is supportive overall of the Mayor's
9 Affordable Housing Plan and as you may have read
10 yesterday, we have joined the United for Affordable
11 New York City Coalition. There is an urgent need for
12 affordable housing in the five boroughs and we
13 believe this plan is the best way for the City to
14 create permanent affordable housing for middle- and
15 low-income residents of the city.

16 Many New Yorkers are having trouble
17 paying for their rent as their incomes are outpaced
18 by the rising costs of housing across the city. A
19 2014 AARP survey of New York City voters 50 and
20 older, these are not just members, these are New York
21 City voters 50 and older, shows that affordable
22 housing is a major concern for 54% of respondents,
23 far surpassing other community concerns like traffic,
24 crime and personal safety or even public
25 transportation. In communities of color, this number

1 is even higher, 59% of black voters and 67% of
2 Hispanic voters that were surveyed identified housing
3 as a major concern.
4

5 Earlier this year AARP commissioned
6 another survey of New York City voters; this time we
7 expanded the pool to Gen Xers and boomers; again,
8 affordability was cited as the top concern, with 62%
9 of boomers and Gen X respondents expressing anxiety
10 over their ability to afford housing in the future.
11 This continues to be a concern in communities of
12 color, with over 70% of boomer and Gen X African
13 Americans and Hispanics citing worry about their
14 ability to pay their rent or mortgage in the coming
15 years.

16 These concerns have a potential
17 devastating effect for the city's population and
18 economic growth, as 61% of Gen X and boomer voters
19 said they are considering leaving New York State to
20 retire somewhere else because of the lack of
21 affordability. Mandatory Inclusionary Housing is an
22 important and powerful tool to ensure the creation of
23 affordable housing for both middle- and low-income
24 New York City residents; it requires developers to
25 set aside affordable units and those units are

1 permanent; this is important in ensuring that New
2 York City maintains a healthy stock of affordable
3 housing. MIH results in HPD being able to use their
4 public funds to create greater affordability for
5 lower income renters across the city. Without MIH,
6 developers will still create housing throughout the
7 city and the units that they will create will have no
8 requirement of affordability. We need MIH to ensure
9 a shared responsibility for creating housing that is
10 affordable for low- and moderate-income individuals
11 and families. We need to change the outlook of New
12 York City residents, the outlook that they have about
13 their ability to afford housing now and in the future
14 and MIH is a powerful tool to achieve that goal.

16 As this plan moves forth, AARP New York
17 believes it is crucial that each [bell] community
18 have a voice and be invited to engage as participants
19 in the community zoning process; this will provide
20 valuable insight into the needs of each neighborhood
21 and residents who live there. So Chairman Richards
22 and members of the Committee, I thank you for the
23 opportunity to speak today and it is our hope that
24 MIH and ZQA, which I will testify on tomorrow, are
25 approved. Thank you.

1
2 CHAIRPERSON RICHARDS: Thank you all for
3 your testimony. We have a few members who have
4 questions. I just wanted to ask one question and I
5 know it's something that happens in my office,
6 especially like my first week in office I had a
7 senior who had to relocate because she just could not
8 find real affordability here, so the question I have,
9 especially for Phipps or for any one who wants to
10 take a crack at this is; is there room in this
11 program, in your belief, to reach a deeper
12 affordability without legal constraints certainly
13 being an issue? So do you believe that with
14 additional options there is a road forward?

15 ADAM WEINSTEIN: I'm not a lawyer and I'm
16 certainly not a land use lawyer and I can't speak...
17 [interpose]

18 CHAIRPERSON RICHARDS: The developer...

19 ADAM WEINSTEIN: to the legal...

20 CHAIRPERSON RICHARDS: come on.

21 ADAM WEINSTEIN: to the legal
22 constraints, but I am a not-for-profit housing
23 developer practitioner and have done the voluntary
24 inclusionary program and thus it's fairly obvious
25 that the affordability can be either broadened or

1 deepened. And it is important to remember,
2
3 Mr. Chairman and members that we are living in a
4 unique time, or I shouldn't say unique, but at the
5 end of a cycle, I believe at possibly close to the
6 end of a cycle and the inclusionary housing programs
7 are a counter balance to that cycle. If we were to
8 look back 7 years, we wouldn't be having this
9 conversation, so in retrospect this feels like the
10 opportunity; I can't comment though about the
11 durability of that opportunity. But in this current
12 market, at this moment in time, yes, I believe that a
13 band of affordability, not necessarily an entire
14 category could be created to serve households at
15 extremely low and very low income levels.

16 CHAIRPERSON RICHARDS: Alrighty. So
17 you're saying that there is room for a deeper number;
18 what that number looks like... [interpose]

19 ADAM WEINSTEIN: As an economic measure,
20 each project is specific, but yes, I believe that
21 there's room.

22 CHAIRPERSON RICHARDS: Alright, thank
23 you. I will now go to Council Member Kallos,
24 followed by Williams and then our Chair Greenfield
25 and Barron last.

1 COUNCIL MEMBER KALLOS: Thank you for
2 this distinguished panel and thank you to Chris
3 Widelo; a pleasure to work with you on so many very
4 [sic] issues. How many seniors do we really have in
5 the city and do we anticipate in the next 10 years?
6

7 CHRIS WIDELO: Well this is a very
8 quickly aging city, right, so Staten Island is our
9 fastest aging borough; I think Manhattan right now is
10 considered older. You know, I actually don't have
11 the census statistic of how many people that would be
12 65 and older versus 50 and older, but what we know --
13 and you know, I can reference LiveOn New York's --
14 you know, I think some of the comments are probably
15 more appropriate for tomorrow when we talk about ZQA,
16 but we know that there are seniors that are waiting
17 for housing; that they just cannot find affordable
18 housing and they're on a fixed income, but many of us
19 are on a fixed income, right, my salary's not going
20 up any more than my grandmother who's on Social
21 Security. So you know, overall creating more
22 affordability and finding options that allow people
23 in lower incomes -- you know, we look our membership
24 and many of them are falling into those bands that
25 MIH directly impacts and that's... [crosstalk]

2 COUNCIL MEMBER KALLOS: That's actually
3 where I did wanna go, so...

4 CHRIS WIDELo: Okay.

5 COUNCIL MEMBER KALLOS: according to the
6 census in 2010, 12.1% of our population were 65 and
7 older, so that comes out around 850,000, give or
8 take, and then we currently have about 147,000
9 seniors on SSI and that brings a huge percentage of
10 that 800,000 that's around little less than 20. So I
11 guess the question is; which bands do we need to
12 really prioritize in order to provide housing for our
13 seniors; are there a lot of seniors where they live
14 with two other people and they're making \$46,000 a
15 year or do we really need that deeper band at \$30,000
16 or \$20,000 or \$10,000 a year because Social Security...
17 [crosstalk]

18 CHRIS WIDELo: Right.

19 COUNCIL MEMBER KALLOS: the maximum
20 payout is \$30,000 a year, so...

21 CHRIS WIDELo: Correct. So not all of
22 our members or not all seniors are living just on
23 Social Security; as a matter of fact, many of them
24 are in that -- you know, when I look at our
25 demographics, between \$40,000 and \$65,000, \$70,000,

1 very middle class for New York City, you know and
2 even, you know, feeling [sic] lower... middle, lower
3 income because it is expensive to liver here. So
4 when we thought about our support for this, we looked
5 at what our membership numbers told us as far as what
6 people report as their income and what are the areas
7 that... and so supporting MIH because it does target
8 those bands of 60% AMI in some cases and 80 in other,
9 do really speak to the needs of what we're hearing.
10 We're not hearing as much from... you know we hear from
11 our older residents; we are hearing from middle-
12 income members that are saying I have to make a
13 decision; I can't afford to retire [bell] here
14 because the housing that's available to me is largely
15 unaffordable... [interpose]

17 COUNCIL MEMBER KALLOS: If you have any
18 information as we're looking at what the bands should
19 look like... [interpose]

20 CHRIS WIDELO: Sure.

21 COUNCIL MEMBER KALLOS: if you can
22 provide us with any information to my office, as well
23 as to Zoning Chair and Land Use Chair, of what your
24 members look like in terms of their financial needs...

25 CHRIS WIDELO: Uhm-hm.

2 COUNCIL MEMBER KALLOS: and which bands
3 would work for them, as well as just seniors in
4 general, 'cause I imagine that there might be a
5 distinction between the 147,000 SSI recipients that
6 may or may not be members, so...

7 CHRIS WIDELO: Right.

8 COUNCIL MEMBER KALLOS: just help us get
9 a better picture of what seniors need.

10 CHRIS WIDELO: Sure, I can provide you
11 with that. Great.

12 ELIZABETH STROJAN: Can I comment on that
13 as well? I just wanna say that you know, we've all
14 mentioned and the administration mentioned how
15 important it is to look at MIH and ZQA as tools in a
16 toolbox; we need a lot more. So I just wanna put a
17 plug in for this body to support a coalition of
18 affordable housing advocates; they are calling for a
19 lot more tools at the state level; right now we're
20 asking for a dedicated senior housing program at the
21 state level and a huge increase in the State Low-
22 Income Tax Credit and that's what gonna hit the bands
23 that you're talking about.

24 COLVIN GRANNUM: Would you mind if I
25 added to that as well? You know, in Bedford

1 Stuyvesant, you know, we've long been a very mixed-
2 income community, very diverse economically;
3 significantly high percentage of individuals who are
4 low and very low income, but also a lot of City
5 workers who are retired, school teachers, a lot of
6 folks like that, they have pensions and they have
7 Social Security; a lot of them are stuck in their
8 brownstones because there is no other place for them
9 to go because they are in that moderate income band.
10 And so it's the seniors, but I have people who are
11 leaving my employ, as employees of a non-profit who
12 are making \$45-50,000 and saying I can't live here
13 any more and these are people who want to work in the
14 public sector. So I wanna say that it's not a loss,
15 right; if we... I believe the City's underproducing
16 also for hits moderate income people and we need to
17 balance all those scales and I'm not arguing against
18 low-income people, but I don't think it's a loss if
19 we're also producing for the moderate income people
20 who have had some stability in their employment.

21 CHAIRPERSON RICHARDS: Thank you. We'll
22 now go to Council Member Williams, followed by
23 Greenfield; then Barron.
24
25

2 COUNCIL MEMBER WILLIAMS: Thank you very
3 much... [interpose]

4 CHAIRPERSON RICHARDS: Sorry; I just want
5 to acknowledge we've been joined by Council Member
6 Chaim Deutsch from Brooklyn. I got it right; right?

7 COUNCIL MEMBER WILLIAMS: No, you put the
8 "hch" at the wrong part, [laughter] it goes at the
9 beginning; it's Chaim. I've got you covered, Council
10 Member Deutsch.

11 Thank you, Mr. Chair, thank you all for
12 your testimony and the work that you do. Mr.
13 Weinstein, did you have testimony; did you submit
14 testimony, written testimony?

15 ADAM WEINSTEIN: I have not submitted the
16 written testimony; I can.

17 COUNCIL MEMBER WILLIAMS: Alright. I
18 appreciate all the work you've done; I've worked
19 mostly with Mr. Grannum, thank you; I actually
20 learned a lot from you, so I appreciate that and the
21 work you have been doing on these issues.

22 I did wanna just touch on a couple
23 things. Mr. Grannum, in your testimony, which -- I
24 wanted to -- you talked about the housing that would
25 have been saved, which I appreciate -- and by the

1 way, I agree there has to be a spread, there has to
2 be an income spread; the middle class and working
3 class folks are suffering, but if they're suffering,
4 we know the folks underneath them -- I don't know
5 what the work to describe what's happening to them,
6 so we have to make sure we include everyone.

7
8 When you were talking about the
9 affordable -- you said similarly, since Fort Greene
10 rezoning, you talked about the units that were built
11 at that time; I wanted to know if you had a breakdown
12 of what the AMIs were for those affordable units that
13 were built at that time, even though obviously there
14 weren't enough, I just wanna know if they had a
15 breakdown of what those AMIs were. I'm just gonna
16 ask my... [crosstalk]

17 COLVIN GRANNUM: I think that..

18 COUNCIL MEMBER WILLIAMS: Go ahead.

19 COLVIN GRANNUM: I think that virtually
20 all the units except for the ones that I mentioned in
21 Community Board 2 were probably, the affordable ones
22 were probably at 80% of AMI... [interpose]

23 COUNCIL MEMBER WILLIAMS: At 80%.

24 Mr. Widelo; is that... I know I'm pronouncing it... I'm
25 sorry.

2 CHRIS WIDELo: No, that's it.

3 COUNCIL MEMBER WILLIAMS: Of the
4 membership that responded to your questions, do you
5 have a breakdown of what their income is?

6 CHRIS WIDELo: I believe I do. What I
7 can do is, I can send you and... or I can send it to
8 the whole committee, our survey tool so you can see
9 the full version; not just the report, for sure.

10 COUNCIL MEMBER WILLIAMS: And similarly,
11 with Miss... is it Strohan [sic]?

12 ELIZABETH STROJAN: Strojan.

13 COUNCIL MEMBER WILLIAMS: Strojan, well
14 you also primarily [sic] about ZQA, but you were
15 talking about the assisted senior housing as well; I
16 didn't know if you had a breakdown of the income
17 levels of the seniors that you're referring to.

18 ELIZABETH STROJAN: So the seniors that
19 I'm referring to in my testimony come from a LiveOn
20 New York study of HUD, Section 202, so those are 60%
21 or below.

22 COUNCIL MEMBER WILLIAMS: Okay. Thank
23 you very... [crosstalk]

24 ELIZABETH STROJAN: That program no
25 longer is funded; it's no longer creating new units

1 for seniors, which is why we need to look at ZQA and
2 state level resources and the awesome SARA program
3 from HPD.
4

5 COUNCIL MEMBER WILLIAMS: Thank you. I
6 just wanna make sure we plan out the need for those
7 income bands, but even with what you pointed out,
8 Mr. Grannum, the affordable housing that was built
9 there with the 80%, it's kinda high; we need to make
10 sure we get lower and so I think there's an agreement
11 that this is a type of plan that we need to make sure
12 we move forward. There's some disagreement about how
13 much lower we have to go, I believe, but we
14 definitely [bell] can't sustain what's in the plan
15 now and what's happened in the past and it's
16 important that we get to 30%, 40% of AMI; those are
17 the folks that we have to focus on, as well as the
18 middle-income.

19 My last question, if I might. In Bedford
20 Stuyvesant, [background comment] was there anything
21 you think could've been done for the market rate
22 apartments that could've prevented some of the
23 gentrification that happened during that time period?

24 COLVIN GRANNUM: Anything that could have
25 been... I'm sorry; I didn't follow the question.

2 COUNCIL MEMBER WILLIAMS: So we're
3 focused a lot on trying to preserve some of the
4 market rates that aren't rent regulated, even rent
5 regulated, but some lease renewals that are not rent
6 regulated, their rents started to go up during this
7 process just because of the market forces; is there
8 anything that you could see that the City could've
9 done to put protections in there so that lease
10 renewals would've happened and rents wouldn't have
11 spiked as much as it did?

12 COLVIN GRANNUM: You know, that's an
13 interesting question and I wanna answer it in two
14 parts. One is, I do think we need to think more
15 about density, because it is my view that in low-
16 density communities it is hard to control the rents,
17 right, especially when you have a growing city and so
18 I know that density is a concern for many people and
19 I've heard -- you know, we all agree about the need
20 for amenities, etc., but let's think about the fact
21 that density tends -- if you do it right and add
22 something like MIH, it could slow down the prices a
23 bit. The second thing is, I recently noticed this
24 new assessment that went out, that the cost being
25 shifted to homeowners is increasing, right, so

1 there's an increasingly high disparate increase in
2 taxes in a place like Bedford Stuyvesant; water bills
3 are increasing, so the cost of operating these
4 buildings, many of them are owned by low- or
5 moderate-income people who really can't generate
6 additional resources from their earnings; they look
7 to the tenants to share the costs. So I don't really
8 know the answer to your question about what could be
9 controlled; the administration as an idea about
10 offering some capital improvements to some of the
11 buildings that are in disrepair and in need of
12 improvement with the condition that they maintain
13 some affordability, but that's probably not
14 significant enough to make a dent. And I guess what
15 I'm saying is, it's difficult to shift some these
16 costs onto some of these small property owners
17 because they are experiencing increased costs; much
18 of it being pushed to them by the City of New York.

19
20 COUNCIL MEMBER WILLIAMS: Thank you.

21 CHAIRPERSON RICHARDS: Thank you, Council
22 Member Williams. Now to Chair Greenfield; followed
23 by Barron and Menchaca.

24 COUNCIL MEMBER GREENFIELD: Thank you,
25 Mr. Chairman. I wanna thank you panel for your

1 testimony. I wanna just focus in on one point that
2 two of the panelists made and that has to do with the
3 operational costs. Two of you mentioned seemed
4 particularly concerned about it; can you flush that
5 out for us a little bit in terms of your concerns and
6 how that relates to MIH that we're discussing today?

8 ELIZABETH STROJAN: Sure, I'll give the
9 big picture, you fill in the specifics; does that
10 sound fair?

11 So it costs a certain amount of money to
12 operate a unit of housing and you have to pay your
13 water and sewer, you have to pay taxes, you have to
14 pay heat, and then there is the rent level that
15 people can pay and whatever is in-between what people
16 can pay and the cost of the unit is your operating
17 gap. If you don't have enough money to cover that
18 gap in the first month, you know it's multiplied the
19 second month when you also don't have it in the third
20 month, so that's what we talk about when we say we
21 need ongoing operational assistance; it can be a
22 voucher or it can be subsidy in the front end to make
23 sure, you know, that part of that gap isn't also made
24 bigger by huge levels of debt. So that's something
25 to consider when you think about what is a city-wide

1 policy look like; what does an individual
2 neighborhood; what does an individual building
3 negotiation; what's the subsidy going in or what's
4 the abatement versus what's the ongoing operations.
5 I mean that's the concern though is that gap.

7 COUNCIL MEMBER GREENFIELD: Sure. Are
8 you not getting that subsidy now; is that the concern
9 or is it simply you're just flagging it for the
10 future or a combination of both?

11 ELIZABETH STROJAN: Well it's harder and
12 harder to make up that gap as Section 8 becomes more
13 constrained or as our demand goes up it's harder to
14 fill that gap. But every project, the affordable
15 housing sector, New York City, New York State, we're
16 incredibly sophisticated in how we fill those gaps
17 and it's like, you know, weaving a quilt with all the
18 different kinds of subsidies that go into it, so I
19 would say it's becoming more complicated to fill that
20 gap and that is something that we wanted to flag for
21 you all going forward as you consider AMI levels,
22 different neighborhoods and what the market rate
23 rents in the neighborhood can provide to cross-
24 subsidize that gap.

2 COUNCIL MEMBER GREENFIELD: And one of
3 the items that we mentioned earlier on; I don't know
4 if you were here all morning, it's been a little bit
5 of a long day, [background comment] but one of the
6 items that we mentioned was that we had some concerns
7 about the assurances that are made by perhaps
8 previous administrations where they said they would
9 either do different things or subsidize certain
10 projects or actually provide funding for amenities
11 and infrastructure and that didn't happen. Do you
12 find the same in relation to that operating gap where
13 in the past you may have had commitments that were
14 made that were not ultimately kept?

15 ELIZABETH STROJAN: No, in affordable
16 housing we have regulatory agreements to bake these
17 things and you know, I understand the concern about
18 future administrations and what's gonna happen to
19 these particular termsheets, etc., but I assure you,
20 I will be here as an advocate years from now making
21 sure that those dollars or trying to make sure that
22 those dollars... [crosstalk]

23 COUNCIL MEMBER GREENFIELD: Except if
24 there's jury duty.

25 ELIZABETH STROJAN: Right.

2 COUNCIL MEMBER GREENFIELD: Yes.

3 ELIZABETH STROJAN: As soon as I'm done
4 with jury duty I'll be back on the case, so.

5 ADAM WEINSTEIN: I just wanted to clarify
6 that the advantage of incorporating an internal
7 subsidy, an internal operating subsidy in the MIH
8 program is that it doesn't rely upon the ups and
9 downs of governmental support. The operating subsidy
10 that Elizabeth referred to is the Federal Section 8
11 program, which historically has grown, surprisingly
12 it has been a program that has -- it's really the
13 only growing program at the U.S. Department of
14 Housing, but it is a constrained resource. In
15 simplest terms, the ability to harness the value of
16 the marketplace to ensure that households who can't
17 afford to pay their full share of the operating
18 costs, not debt, not taxes, not servicing a mortgage
19 debt; not paying taxes in a market rate building,
20 otherwise a market rate building is a unique
21 advantage and a unique benefit of the MIH program.

22 And I think I'd also underscore one other
23 thing, which is that that gap between what it costs
24 to properly operate a piece of residential real
25 estate as a good landlord is the -- and the gap

1 between that number and less than that number is the
2 kind of thing that leads to disinvestment in bad
3 times, and let's not forget that, you know, in my
4 lifetime the City experienced some very, very awful
5 moments of disinvestment and as a long-term operator
6 of affordable housing, that's what really keeps me up
7 at night, building it is easy, in a certain sense, I
8 mean we're sitting here dealing with a complicated
9 problem; building it is the momentary thing, but
10 long-term commitment is ensuring that it's affordable
11 30, 40, 50 and sustainably so years from now.

13 COUNCIL MEMBER GREENFIELD: Thank you.

14 CHAIRPERSON RICHARDS: Thank you. I will
15 go to Council Member Barron; followed by Menchaca.

16 COUNCIL MEMBER BARRON: Thank you,
17 Mr. Chair. I have a question to the first two
18 panelist, you spoke about -- well the first panelist
19 from Bed-Stuy, you talked about a moderate-income
20 home ownership program; how do you see that as a part
21 of what the City can do going forward, not just have
22 rentals, but have a type of ownership program?
23 'Cause we know that most of the black community,
24 that's the way to gather wealth, through

1 homeownership, so if we wanna try to close this gap,
2 how can we do that...? [crosstalk]

3
4 COLVIN GRANNUM: Yes, I'm a huge advocate
5 of homeownership and I'm a huge advocate -- it just
6 doesn't have anything to do with MIH, unfortunately.
7 But if you're talking about upward mobility and
8 you're talking about a comprehensive program, it
9 strikes me that homeownership is critically important
10 and homeownership for moderate-income people
11 particularly, right -- you've gotta figure it out,
12 right, but we can say low and moderate, but we've had
13 some instances where we had homeownership for low-
14 income folks and it didn't work out, but certainly
15 there are... [interpose]

16 COUNCIL MEMBER BARRON: What was that
17 income that you were talking about didn't work out?

18 COLVIN GRANNUM: Well I... I think...
19 [crosstalk]

20 COUNCIL MEMBER BARRON: What would you
21 say is the lowest you can go and still have people
22 who can...

23 COLVIN GRANNUM: Well all of us require a
24 subsidy, right... [crosstalk]

25 COUNCIL MEMBER BARRON: Right.

2 COLVIN GRANNUM: so when we start talking
3 about -- I suspect when you start talking about
4 homeownership under 80% of AMI, you're talking about
5 the City putting some money in, right? To your
6 point, it's critically important in communities like
7 Bed-Stuy and Brownsville and other places where
8 people of color live and where they're comfortable
9 with homeownership and where it's a principal vehicle
10 for investment, that a comprehensive plan include
11 that. So I wanna agree with you on that and I wanna
12 say that that should be weighed very heavily as we go
13 forward.

14 On the MIH side, not everybody who can
15 afford to own... [crosstalk]

16 COUNCIL MEMBER BARRON: Uhm-hm.

17 COLVIN GRANNUM: chooses to own...
18 [crosstalk]

19 COUNCIL MEMBER BARRON: Right.

20 COLVIN GRANNUM: but they still wanna
21 live in New York City and I think that those people
22 are very helpful to the City in the fact that they
23 carry out a range of functions, whether they be in
24 schools or working in the city or whatever and that
25 they should have an opportunity here.

1 COUNCIL MEMBER BARRON: So what would you
2 say should be the cap going up for those persons to
3 be a part of talking about affordable through MIH --
4 the plan at one point has an option 3, which goes up
5 to as high as 120% of the AMI; what would you cap?

6 COLVIN GRANNUM: Well you see -- this is
7 a very political process and I wanna stay away from
8 that part of it, [laughter] right... [crosstalk]

9 COUNCIL MEMBER BARRON: That's what this
10 is all about.

11 COLVIN GRANNUM: No, but I can make an
12 argument for 100% for people who make \$120,000,
13 because there are lots of people in the city who are
14 people of color and... [crosstalk]

15 COUNCIL MEMBER BARRON: Well the AMI and...
16 [crosstalk]

17 COLVIN GRANNUM: but I wouldn't...

18 COUNCIL MEMBER BARRON: you said [sic]
19 the income, you know, I don't wanna confuse people,
20 [bell] so are you saying you could go up to as high
21 as \$120,000 for people to be... or if you wanna give me
22 a dollar amount, what would you put as an annual
23 income to be a cap... [crosstalk]

2 COLVIN GRANNUM: I want to avoid doing
3 that.

4 COUNCIL MEMBER BARRON: Say again.

5 COLVIN GRANNUM: I want to avoid doing
6 that.

7 COUNCIL MEMBER BARRON: Oh okay.
8 Alright.

9 COLVIN GRANNUM: And it's not because I
10 don't see in my line of work people who earn
11 \$120,000... [interpose]

12 COUNCIL MEMBER BARRON: Uh yes.

13 COLVIN GRANNUM: who need housing and
14 can't afford it; it's not because of that. What I'm
15 saying is; there's a lot of balancing to be done here
16 and there are some streams for funding that are
17 dedicated solely to very low and extremely low,
18 right?

19 COUNCIL MEMBER BARRON: I've run to the
20 end of my clock... [crosstalk]

21 COLVIN GRANNUM: Right.

22 COUNCIL MEMBER BARRON: but just one
23 quick question. What have you seen in Bed-Stuy in
24 terms of displacement?
25

2 COLVIN GRANNUM: We've seen enormous
3 displacement and we've seen enormous, what I call
4 income polarization, meaning that poor people are
5 being moved to some sections of the community and in
6 other sections of the community are very affluent
7 people and in those sections where they're affluent
8 people are the sections where there's opportunity to
9 include less affluent people through MIH.

10 COUNCIL MEMBER BARRON: Thank you. Thank
11 you, Chair... [crosstalk]

12 CHAIRPERSON RICHARDS: Thank you.
13 Council Member Menchaca.

14 COUNCIL MEMBER MENCHACA: Hi. I just
15 wanna ask one question to anybody that is maybe
16 working with a larger group of coalition members, for
17 example, Faith New York; are you working with Faith
18 New York?

19 COLVIN GRANNUM: I'm not.

20 COUNCIL MEMBER MENCHACA: I would
21 recommend that you might connect with them; there are
22 some really interesting ideas coming out of --
23 they're part of a larger coalition of work that
24 really points to a kind of jobs initiative package
25 and your perspectives that I'm kinda hearing today

1 might help them really understand and really bring a
2 larger coalition and it's called the Floor Area
3 Affordability Bonus, FAAB Program Incentive -- I
4 don't think we've said that out loud in this space
5 yet, but I would encourage you to reach out to them;
6 after your panel I'll make to connect you, but it
7 really hits on what we're getting from the
8 administration that this doesn't really create an
9 opportunity for us to move out of zoning and into a
10 real jobs package that can be heard and passed and
11 implemented at the same time. So I would just kinda
12 be curious to hear from you after you've gotten
13 briefed, and that's it for me. Thank you.

14 CHAIRPERSON RICHARDS: Thank you so much,
15 Council Member Menchaca; we now are going to move on
16 to the next panel. Thank you all for your testimony,
17 thank you for coming out today and thank you for your
18 patience, most importantly.

19 We now will hear from -- and this is the
20 first panel in opposition -- we will hear from
21 Jonathan Westin from New York Communities for Change;
22 Maritza Silver-Farrell from RAFA (Real Affordability
23 for All); Madeline Mendez from CASA; Pat Purcell
24
25

1 from... [background comment] GNY LECET, and Jose Lopez
2
3 from Make the Road New York.

4 And we'll ask you just to all state your
5 name and the organization you're representing for the
6 record before you begin.

7 JONATHAN WESTIN: Good afternoon. I
8 wanna thank Chairman Richards for holding this
9 hearing and the members of the City Council; you
10 know, particularly want to thank the members of the
11 City Council not for their, [background comments] you
12 know, questioning and pushing and prodding in terms
13 of the Mandatory Inclusionary Housing Plan and really
14 pushing for it to actually benefit the communities
15 that it's supposed to be benefiting and not only here
16 today, but I think across the city council members
17 have engaged in a way.. at a very deep level to really
18 hold the administration accountable to what this plan
19 will actually mean for our communities, so I thank
20 you all and I thank you to the Council and all of
21 your time on this.

22 So with that being said, my name is
23 Jonathan Westin; I am the Director of New York
24 Communities for Change; we are a grassroots
25 membership organization mainly based in low-income

1 communities of color. We are a member of the Real
2 Affordability for All Coalition that is premised on
3 deeply affordable housing for the lowest income
4 families in the city and good union jobs that
5 actually provide workers with wages and a living that
6 they can support their families on.
7

8 So I think my first comment about today's
9 hearing is that I think, you know it's a bit
10 problematic that we are not actually having this
11 conversation about Mandatory Inclusionary Housing
12 while we are actually talking about the neighborhoods
13 and the rezonings that are happening and you know, I
14 understand it's not like, you know, kind of the
15 Council's premise here and that the administration is
16 laid out their housing plan in a set of different
17 benchmarks, but if we are not actually talking about
18 the communities and we are just talking about the
19 broad, wonky policy of MIH, I think we are really
20 missing the boat here.

21 So with that being said, the one thing I
22 want to talk about that has not been talked about
23 today, even as an affordable housing advocate, is the
24 market rate and luxury housing that will be built
25 from the Mandatory Inclusionary Housing Plan.

1 So the plans that are on the table, 20-
2 30% of the units under MIH will be affordable; that
3 means 70-80% of the units will be in the market to
4 luxury range and I know the administration will say
5 and they will push that they are planning to
6 subsidize to deeper affordability levels and more
7 affordability, but in reality the only thing
8 guaranteed is the 20-30% they would require in these
9 upzonings.
10

11 So I want you to take a moment and just
12 remember that; the majority of the housing that will
13 be built in this plan will be market rate and will
14 not go to anybody, so we can talk about affordability
15 levels, we can talk about that; none of it will
16 actually go to people in many of the communities
17 they're being built in.

18 So with that being said on the market
19 rate and the luxury housing that will be built out of
20 this plan, we represent many different members in
21 East New York -- and my time is already almost up --
22 and while the City is looking at rezoning 15
23 different neighborhoods, massive swaths of the city,
24 in a place like East New York, [bell] as Councilwoman
25 Barron showed us in East New York, the affordability

1 levels just do not match, they do not match the
2 neighborhood, they do not match the income levels;
3 they do not match anything that resembles the
4 neighborhoods that many of you Council Members
5 represent here today.

6
7 So with this being said, we are in favor
8 of pushing for deeper affordability levels within
9 these neighborhoods and within these specific new
10 rezonings and there is a way to get this done, there
11 is a way to make sure that in each individual
12 neighborhood rezoning we are getting to the depths of
13 affordability where the majority of housing is built
14 for the folks that live in those neighborhoods. The
15 Speaker of the City Council has said in her district
16 she wants to see 50% affordable housing for the
17 people of East Harlem; I think that should be the
18 benchmark for every single neighborhood in East New
19 York; we should be requiring that 50% of all housing
20 that's built in our neighborhoods is affordable to
21 the families that live there and not the market rate
22 housing and not the 120% AMI housing, all housing,
23 50% of it should be built towards the families that
24 live in our neighborhoods and in our communities and
25

1 the administration needs to find a way to get there
2 and if they can't, the Council should do it for them.

3 [background comments, clapping]

4 MARITZA SILVER-FARRELL: Good afternoon.

5 I have prepared a testimony that you have it with
6 you, but I'm gonna be brief on some remarks here.

7 My name is Maritza Silver-Farrell and I'm
8 the Coordinator of the Real Affordability for All, a
9 labor community and faith-based coalition united to
10 create deep affordability and good jobs for all New
11 Yorkers. I am also a Campaign Director at ALIGN.

12 The Real Affordability for All Coalition
13 agrees with the ultimate goal of MIH, all New Yorkers
14 know that we need to create affordable housing units
15 when rezoning occurs; unfortunately, the Mayor's plan
16 so far has failed to meet the housing and job needs
17 of the low- and moderate-income New Yorkers who were
18 ignored by Bloomberg in his prior housing plan. We
19 need a better plan that gets us deeper levels of
20 affordability while creating good jobs for local
21 residents impacted by the rezoning. Unless a real
22 plan is in place for affordability and jobs, then I
23 urge you to vote no on MIH.
24

1 In the neighborhoods where the
2
3 administration is committed to building with
4 increased density, we need to make sure the
5 developments do not provide windfall profits for
6 developers at the expense of our community. Every
7 community should be able to require developers to
8 meet high standards for real affordability and job
9 quality if the City is going to allow greater
10 density; that's a fair and reasonable deal and we
11 need a fair and reasonable deal. The vast majority
12 in this area of massive inequality, we are only
13 perpetrating the problem if we build the vast
14 majority of our so-called affordable housing at
15 income levels that the New Yorkers who need it the
16 most can't afford.

17 Our plan, the Floor Area Affordability
18 Bonus, known as FAAB, is a fair and reasonable deal;
19 it requires that developers agree to meet our
20 standards for real affordability and career-oriented
21 jobs before receiving increased density. This bonus
22 would not create increased density in the
23 neighborhood, but it would allow a developer to
24 access the full zoning potential proposed in the
25 upzoning. And in our plan, 50% of new apartments

1 created through the rezoning will be affordable at or
2 below the median income of each neighborhood; each
3 neighborhood will be able to increase the
4 affordability levels to meet their unique needs,
5 providing flexibility to the program.
6

7 Construction contractors and
8 subcontractors will be required to hire directly from
9 the community and meet the following criteria:
10 basically, 30% of hours performed by local residents,
11 including apprenticeship utilization. The FAAB
12 program can work alongside MIH and protect our
13 communities from speculative development and
14 gentrification. We urge City Council Members to vote
15 no on MIH unless the zoning text is amended to
16 include the FAAB program. City Council Members have
17 the opportunity to make this program right for all
18 communities. [bell]

19 Our message -- with this I finish. Our
20 message to developers is simple, either build it
21 right or don't build it at all. This is about our
22 lives and our communities; we must use our zoning
23 power to prevent gentrification and to create good
24 jobs for local residents; the Mayor's plan fails on
25 all counts. Thank you.

2 MADELINE MENDEZ: My name is Madeline
3 Mendez and I live on 167th on the Grand Concourse in
4 the Bronx where they're gonna start rezoning. I
5 speak to my community; my community always asks me
6 for housing; we need affordable housing and I'm
7 against it. We need jobs, we need union jobs to
8 work; I feel -- so I'm speaking on the seniors, I'm
9 speaking for the disabled, I'm speaking for
10 Section 8; I'm speaking for all the people who are
11 poor in New York City -- we are being pushed out,
12 you're telling us that we don't deserve to live in
13 New York City because we are poor; how dare you, how
14 dare you to make us feel that we don't deserve to
15 live in a city who has a lot of money. That's all I
16 have to say.

17 [applause, background comments]

18 CHAIRPERSON RICHARDS: This Council
19 certainly takes that concern seriously and we believe
20 you belong in New York City.

21 [background comments]

22 JOSE LOPEZ: Cool. Jose Lopez, Director
23 of Organizing, Make the Road New York. Thank you for
24 inviting us to testify.

2 Just jumping right in, I wanna start the
3 testimony by sharing the story of Susana Salas, a
4 Make the Road Member who released an op-ed in the
5 Gotham Gazette today and here's what she writes.
6 Susana writes, "My husband and I live in Bushwick in
7 a one-bedroom apartment with our three children --
8 one of whom has special needs -- and my sister. We
9 pay more than \$1200 per month, over 50% of our income
10 on rent, which comes from my husband's job in a fruit
11 and vegetable market. For the last 2 years we've
12 been looking for something better, with more space
13 for our children." She continues, "But there is
14 nowhere for us to go. Even studios near where we
15 live are now renting for \$1500 a month -- too much
16 money and too little space for our family of six."

17 Susana's story is an all too common one in
18 this city, families struggling with earnings to cover
19 exorbitant amounts of rent in a city that has just
20 entered its fifth decade with vacancy rates below 5%.
21 The gap between high housing costs and low wages
22 fuels the affordability crisis and exposes more
23 residents and households like Susana's to greater
24 risk of displacement and homelessness.

2 It is for that reason that
3 organizationally we cannot support MIH as written.
4 Without a doubt, the crisis that we have before us
5 was inherited by Mayor de Blasio in the 12 years by
6 Mayor Bloomberg, in the 12 years that Bloomberg
7 served as the mayor that monthly gross rent for an
8 apartment skyrocketed from \$788 in 2002, the year he
9 took office, to over \$1200 in 2012, a 54% increase.

10 I'm not gonna sit here today to challenge
11 the administration on how we got into this mess, I
12 think the facts are clear; what we will challenge,
13 however, is the administration on how we plan to get
14 out of this mess. If we fail to create truly
15 affordable housing for the lowest income New Yorkers,
16 we will repeat the last administration's worse
17 mistakes. So where is the need?

18 If City Planning's projection that the
19 city's population will rise to 9 million residents by
20 2030 is accurate, we're gonna require a net gain of
21 over 300,000 units, with about a third of those being
22 affordable to the lowest income, 30% AMI households
23 in New York City.

24 What our city needs is deep affordability
25 for new immigrants who make this city thrive,

1
2 immigrants like Rigoberto Silva, another Make the
3 Road member in Queens, who does asbestos cleanup in
4 Jackson Heights, Corona and Elmhurst and only earns
5 \$18,000 a year. Unfortunately, the current plan
6 falls short of what working class and low-income New
7 Yorkers like Rigoberto need to remain in this city.
8 [bell] As noted in a recent RAFA report, MIH will
9 exclude the vast majority of low-income residents it
10 is intended to help. The proposed housing isn't
11 properly aligned with the incomes of current
12 residents in these neighborhoods targeted for
13 upzoning; most earn far less than 60% and there's a
14 quick chart in the testimony that cites East New
15 York, South Bronx and East Harlem numbers and how
16 their neighborhood AMIs compare to what the City is
17 proposing in this plan.

18 I think finally, to close here, to get a
19 full scope of a particular community I do think it's
20 important to look beyond averages in local community
21 districts. DCP does that for us when we examine
22 districts across the city. When you look at
23 Bushwick, the place I've called home all my life,
24 according to the 2012 District 4 profile, 49% of
25 folks in Bushwick receive income support to achieve

1 self-sufficiency through TANF, SSI and/or Medicaid.
2 Medicaid is capped at the highest; it's 138% of the
3 Federal Poverty Line, which puts us at \$27,311 for a
4 family of three. So that's already half the
5 neighborhood already left out; that does not include
6 the folks who earn between \$27,311 and the folks who
7 earn below the \$46,620, which is 60% of AMI. So in a
8 neighborhood like mine, we're basically saying to way
9 more than half of the neighborhood [bell] you should
10 find somewhere else to live. I'll close with that;
11 again, just like my colleagues at this table, I would
12 urge the Council to vote no on MIH if the program
13 doesn't improve significantly for the lowest income
14 New Yorkers.

15 [applause, background comments]

16 CHAIRPERSON RICHARDS: Thank you. I just
17 have one question, I guess if you can answer; I'll
18 play devil's advocate here. So definitely hear the
19 50/50 push; what would you say to those in particular
20 who would say that if we push for this, the legal
21 constraints we obviously would lose MIH in totality,
22 so what would you say to... [crosstalk]

23 JONATHAN WESTIN: I think this...

2 CHAIRPERSON RICHARDS: that and then
3 also, do you support MIH in principle, but obviously
4 it with changes and would.. [crosstalk]

5 JONATHAN WESTIN: Yeah, I think this has
6 been the challenge of advocates and you know, in
7 affordable housing and in labor is that Mandatory
8 Inclusionary Housing as a mechanism and tool is very
9 limited because you cannot get to the depth of
10 affordability in many of these instances, which is
11 why we've urged the administration to actually come
12 up with a program that gets to deeper affordability
13 in the neighborhoods, especially in neighborhoods
14 where they're gonna allow developers to build tall
15 buildings and when those developers are being
16 subsidized in the form of height restrictions and
17 they're gonna be given height in our neighborhoods;
18 we should be requiring them to do more; we should be
19 requiring them to do 50% affordability; we should be
20 requiring them to do job standards, but I think it's
21 been limited by this administration in how they have
22 viewed using zoning mechanisms and tools and they sat
23 up here and said that they didn't believe that
24 zoning, you know could be used for job standards and
25 they didn't believe zoning could be used for depth of

1 affordability, but we just don't agree. And then I
2 think what we don't agree on is that we need to use
3 all of the tools in the toolbox to get to the depth
4 of affordability that we all wanna see, because
5 unless -- if we don't, we will continue to create
6 downtown Brooklyns, you know Williamsburg waterfronts
7 all across this city.

8 CHAIRPERSON RICHARDS: Thank you. Pat,
9 did you wanna testify?

10 PAT PURCELL: Yes.

11 CHAIRPERSON RICHARDS: I thought you were
12 yielding, so I apologize for not lettin' you go.

13 PAT PURCELL: I would always yield to the
14 people to the right of me, because they're fantastic
15 and I really respect everything they're saying and
16 support everything that they're saying.

17 Good afternoon, Mr. Chairman and members
18 of the Subcommittee. I wanna thank those who stayed
19 back and got the opportunity to listen to both sides
20 of the story.

21 My name's Pat Purcell; I'm the Executive
22 Director of Greater New York LECET; it's a labor
23 management fund and part of the Mason Tenders
24 District Council and Laborers' International Union of
25

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 259
2 North America, I'm also a very proud member of Real
3 Affordability for All Coalition.

4 Throughout this day; over the next few
5 weeks you're gonna hear a lot, a lot of opinions,
6 pros; cons regarding this plan, you're gonna hear a
7 lot of folks questioning the legality of it; you do
8 not need to hear any of that from me. I'm here to
9 send another message today and my message to this
10 entire Council is that you need to stand up and be
11 the leaders you were elected to be and work with
12 stakeholders to pass a housing plan that provides
13 real affordability and the best trained constructions
14 workers in this state. I ask you to reject the
15 divisive approach this administration has taken with
16 stakeholders, it's an approach that is pitting union
17 member against union member, activist against
18 activist, housing advocates against working men and
19 women and ultimately our members and residents of
20 this city against a political process that spent 2
21 years debating the fate of the horse carriage
22 industry but hopes to decide one of the most
23 controversial zoning plans in recent history within
24 50 days. I speak for many when I say that honest
25 dialogue and tough negotiations can produce a plan

1 that the City can unite behind. The responsibility
2 to see that those conversations take place falls on
3 you; it falls on you because this administration
4 refuses to discuss the serious aspects of MIH that
5 they have failed to consider.
6

7 For example, the subject of worker
8 safety; after one pedestrian died this past week in a
9 tragic crane accident downtown, the Mayor, rightfully
10 so, and I praise him, responded within two days by
11 forming a task force to look into the circumstance of
12 the accident, yet over the last 12-14 months while
13 this city has seen an epidemic of construction worker
14 fatalities occur, this administration has been
15 silent; it has refused to even sit down and discuss
16 the issue of worker safety in relation to MIH and the
17 amount of construction this plan will produce.

18 During a period of time when this city is
19 being led by the most progressive government it has
20 seen in decades, I must ask if this City Council will
21 simply mimic the administration's rhetoric that any
22 additional cost to the construction process will deny
23 New Yorkers affordable housing or will you seek to
24 unite New Yorkers behind a better plan? Will Council
25 Members support the position that to build affordable

1 housing we must simply use the lowest possible
2 bidders and favor the same wage-stealing contractors
3 currently on HPD's most adored list? Will you, as
4 the elected leaders of this city, demand that we all
5 unite and prosper through tough negotiations or will
6 you support the administration's divide and conquer
7 strategy? Thank you.

9 CHAIRPERSON RICHARDS: Thank you. We're
10 gonna go to Council Member Chaim Deutsch for
11 questions; followed by Council Member Miller; then
12 Menchaca and Williams.

13 COUNCIL MEMBER DEUTSCH: Thank you,
14 Chair, thank you very much.

15 So one of the issues I have and I heard
16 you speak about it, Jonathan; you said you represent
17 East New York and you kept on saying my... the people
18 in that area, that you had issues with the MIH plan.
19 So one of the issues I had is; according to NYCHA,
20 according to the Federal Housing Act or law, if you
21 apply for certain housing in a certain area, right,
22 whether -- I represent a very large Muslim district
23 in 148th Council District, so if someone applies for
24 NYCHA housing and you request a certain area, they
25 could put you in an area where there's no halal food,

1 there is no mosque and takes a person away his family
2 and so on and so forth. So one of the things is, how
3 do we guarantee in the MIH, like when you say you
4 represent East New York, that the people from East
5 New York will be part of that affordable housing; if
6 someone sends their children let's say to a private
7 school and the child goes to a church or synagogue or
8 a mosque, how do we know that person's gonna end up
9 going into an area where he has his religion beliefs,
10 where he has his kosher options, whether it's kosher
11 or halal, and also, how do we guarantee that the
12 person will end up staying in the area where he's
13 with his family where there's maybe an elderly parent
14 and the people he grew up. So that's one of the
15 issues that I have.

17 JONATHAN WESTIN: Great, thank you,
18 Councilman. You know I think one of the ways, and I
19 think this is one of the things the Council is really
20 grappling with and I think also the administration is
21 -- the idea of community preference in terms of who
22 is given preference for certain housing units within
23 specific neighborhoods; we have been in favor of
24 community preference, especially for low-income
25 communities, to make sure that low-income families

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 263
2 can get those units within their neighborhoods and
3 stay in those neighborhoods at risk of
4 gentrification. I think where it becomes a mixed bag
5 is in the higher income neighborhoods and whether
6 we're prioritizing higher income families of getting
7 units that other families in lower income
8 neighborhoods aren't having access to. So I think,
9 you know, in terms of community preference we would
10 say that, you know, specifically in low-income
11 neighborhoods we should be prioritizing the families
12 that live there for the units in their neighborhoods.

13 COUNCIL MEMBER DEUTSCH: Yeah, so you're
14 talking about one part of it is low-income, so it's
15 not a crime for someone to be in that level of being
16 low-income, but we also need to guarantee that
17 everything else that affects the person's life, that
18 because they're low-income they shouldn't be
19 penalized, but they should be [bell] helped by not
20 only giving them the housing, but giving them the
21 preference of the areas that they have family
22 members, they have the house of worships and they
23 have their kosher options and so on and so forth. So
24 we need to make sure that that is guaranteed; not
25 unlike in NYCHA where if someone chooses a certain

2 area because that's the neighborhood he grew up in
3 and they could send you in a totally different area
4 and then you get off the list and you're taken off
5 the list. So this is something I think we need to
6 make sure that is part of the MIH.

7 JONATHAN WESTIN: Yeah, I think the one
8 thing I would be cautious of, Councilman, is there
9 are many fair housing laws and rules that need to be
10 abided by and that we cannot, you know, give
11 preference to certain groups over other groups and I
12 think that's one of the challenges here with the fair
13 housing and making sure that community preference
14 works for families and I think we're happy to have a
15 discussion, but you know, would urge folks you know
16 on the side of caution before making any blanket type
17 rules and regulations that would be seen a
18 discriminatory.

19 COUNCIL MEMBER DEUTSCH: Yeah, so we're
20 not talking about only certain groups; I didn't
21 mention certain groups, but it should be also noted
22 that people who have their families in a certain
23 area, they shouldn't be torn apart. So I didn't
24 mention about certain groups, but we have to make

1 sure that the people's lives are not torn apart
2 because they are low-income.

3
4 MADELINE MENDEZ: In the Bronx, in the
5 South Bronx, my community is mostly multi [sic] and
6 we have Muslims, we have all types and we all mingle
7 and no problem, so I think in all communities they
8 should have all kinds and that's what we're trying to
9 keep, we're trying to keep our community, but we need
10 jobs, we need jobs, we need union jobs and that's
11 very important and you're all not looking at that.

12 CHAIRPERSON RICHARDS: Thank you. We now
13 go to Council Member Miller.

14 COUNCIL MEMBER MILLER: Thank you,
15 Mr. Chair. Mr. Purcell, could you speak specifically
16 to the workplace safety and what has been your
17 experience in relation to the affordable development
18 industry around that and its impact on workers and
19 career opportunities and are they mutually exclusive?

20 PAT PURCELL: No, I mean... Let me take a
21 part of that. So if we look specifically at the 16
22 deaths that took place over the past year, 14 of them
23 were at non-union construction sites. The issue
24 regarding and the Council's held a hearing on,
25 regarding the problems with the construction in some

1 of the affordable housing that's gone on, there has
2 been obviously where we have rampant wage theft,
3 we've had safety issues; we have construction issues.
4 What we're suggesting, and I'm not sure if I'm
5 answering your question correctly; what we're
6 suggesting is is that the law does provide for the
7 City, specifically with the language saying that the
8 City has the right to consider safety with zoning,
9 that safety is an issue that his Council and the
10 Mayor can include in this. As to the issue of career
11 paths and local hire, these things all go hand in
12 hand; I mean at the end of the day we can't afford --
13 you can make it as affordable as you wanna try to
14 make it; they can't afford it if they don't have
15 jobs, no income means no affordability and the fact
16 of the matter is a lot of the jobs that have gone on
17 in much of the affordable housing construction that's
18 happened have been dead end jobs, low wages, safety
19 issues and have not had any career pathways. So
20 would I would simply say is that there is a clear
21 relation between those workers who go through state-
22 approved apprenticeship and training programs and
23 then the effect and the ability for them to be able
24
25

1
2 to purchase the actual affordable housing that the
3 City is trying to hard to get produced.

4 COUNCIL MEMBER MILLER: Thank you.

5 CHAIRPERSON RICHARDS: Thank you. We'll
6 now go to Council Member Menchaca; followed by
7 Council Member Williams and Kallos.

8 COUNCIL MEMBER MENCHACA: Thank you so
9 much panel for being here and really making the case
10 for the jobs piece; I think we all are wanting to
11 learn a little bit more about the administration's
12 response to whether or not this is possible to really
13 add it to the zoning conversation that we're having
14 here. I appreciate you pushing us further than we
15 might be seeming, but I think we're seeming very on
16 vanguard here with really thinking about our
17 communities in this conversation, especially when it
18 comes to affordability, like in Sunset Park, where
19 most of our residents can't even hit the 40% AMI.

20 So help us make the case right now, in
21 very clear language, about what makes the FAAB, Floor
22 Area Affordability Bonus project a real option for us
23 to consider as Council Members, individually to our
24 communities and as we go back to the table with the
25 administration with your voice. How do we do that;

1 we were told that's not possible; give us that wedge
2 of possibility here.

3
4 JONATHAN WESTIN: So I'll do the layman
5 terms and then Maritza can... [crosstalk]

6 COUNCIL MEMBER MENCHACA: Sure. I like
7 that; that's how I...

8 JONATHAN WESTIN: do more detail...
9 [crosstalk]

10 COUNCIL MEMBER MENCHACA: I'm more...

11 JONATHAN WESTIN: I think the reality is,
12 when you're looking at a rezoning of an entire
13 neighborhood, right, and when you're looking at a
14 rezoning of the entire city, this city's not
15 monolithic, neighborhoods are not monolithic and in
16 places where the zoning is going to go higher, when
17 you are gonna go from a manufacturing district to an
18 R7, R8, R9 or when you are going... [crosstalk]

19 COUNCIL MEMBER MENCHACA: That won't
20 happen in Red Hook or Sunset Park, but...

21 JONATHAN WESTIN: or when you are going
22 from an R2 to an R7, 8, that you should actually be
23 requiring more and you know, what it's about is
24 maximizing the use of how density is being used in
25 our neighborhoods to get deep affordability and good

1 job standards and I think that's where we have really
2 hit a roadblock with the administration in terms of
3 thinking about using density differently and I think...
4 [crosstalk]

5 COUNCIL MEMBER MENCHACA: Can I... Can I
6 ask...

7 JONATHAN WESTIN: Yeah.

8 COUNCIL MEMBER MENCHACA: Sorry to
9 interrupt; I don't have too much time. How do we
10 write this in; what does this look like?

11 JONATHAN WESTIN: This could be written
12 in to MIH itself; it could be written into the
13 individual zoning text in each of the different
14 neighborhoods... [crosstalk]

15 COUNCIL MEMBER MENCHACA: So your laws
16 are already kind of prepping that language; we can
17 get it; we can look at it.

18 JONATHAN WESTIN: Yes.

19 COUNCIL MEMBER MENCHACA: Great. And as
20 for the unions, Mr. Purcell, and the work that you're
21 doing there, talk to us a little bit about what
22 you're gonna be doing and bringing to the table as we
23 demystify the hypothesis that unions are not opening
24 their doors to our community... [crosstalk]

1 PAT PURCELL: Absolutely.

2 COUNCIL MEMBER MENCHACA: no immigrant
3 communities, day laborers; help us feel confident
4 that you're gonna be there to catch [sic]...
5 [crosstalk]

6 PAT PURCELL: Absolutely.

7 COUNCIL MEMBER MENCHACA: if we... as we
8 kind of think about FAAB... [crosstalk]

9 PAT PURCELL: We...

10 COUNCIL MEMBER MENCHACA: as the door
11 opening for job, career pathways, safety, training.

12 PAT PURCELL: Right. So on a couple
13 things. First of all, let's talk about the
14 administration in regards to -- the administration
15 likes to take all labor things, put 'em together and
16 says we can't do 'em, okay, yet the City Planning's
17 own website, as defining the powers of zoning, "along
18 with the City's power to budget, tax and condemn
19 property, zoning is a key tool for implementing
20 planning policy. Zoning is a power granted to
21 municipalities by the state in order to promote
22 public health, safety, morals or general welfare."
23 The issue of safety is specifically in that clause,
24 so when we say that we believe the issue of requiring
25

1 certain safety standards to be a part of this, we
2 believe we are on sound legal ground with that;
3 clearly there'll be several legal opinions coming,
4 but we simply think the administration is just trying
5 to box it all together.
6

7 To that end, on the issue regarding --
8 the reason we are partnered here so well here with
9 our brothers and sisters from Real Affordability Now
10 is because for years now the Laborers' Union has one
11 of the most diverse unions in the entire country,
12 over 65% of our members are members of color, we have
13 pre-apprenticeship programs, working with all of the
14 community groups within these areas, we have sat and
15 met with Council Members to go over this, we've
16 invited every single Council Member to come to our
17 training and apprenticeship program; this is
18 something that -- the ability to perpetuate the
19 building movement and the construction movement as
20 pale and stale; as people like to say, is something
21 that's purely benefiting those that want to have this
22 type of contention in this city; they are the ones
23 that are trying to create this race problem and we
24 have people in our membership -- I would invite this
25 Council to come to membership meetings, I would

1
2 invite them to come to our apprenticeship meetings
3 and I would tell you right now; you should be calling
4 out those that are actually questioning because we
5 have the facts; they're avoiding the facts and simply
6 throwing out rhetoric that's damaging and divisive to
7 this city.

8 COUNCIL MEMBER MENCHACA: Got it. And
9 Maritza, if you wanna add... and how many of the 16..
10 [interpose]

11 CHAIRPERSON RICHARDS: Please wrap up.

12 COUNCIL MEMBER MENCHACA: Oh okay, yeah.

13 MARITZA SILVER-FARRELL: So can I quickly
14 just mention something around the way in which this
15 could happen? So we... as I said in my testimony, we
16 are saying okay, we can go ahead with MIH, but we
17 need to have another tool, right, and FAAB is a tool
18 that would allow communities to set the flexibilities
19 or affordability depending on the income levels,
20 right, that's one and also the labor standards. We
21 understand that the use of land cannot be connected
22 to wages, that is understood, but what we're saying
23 is that we have to make sure that there are standards
24 connected to it, as Pat just mentioned. So we can
25 definitely use that density; we shouldn't be giving

1 that away and the way to do it is connect it as a
2 text amendment to MIH and I think that's something
3 that can be helpful to hear and this morning some
4 folks said that we're gonna have to just make changes
5 to the current plan; many Council Members talked
6 about the importance of depth of affordability; this
7 is the way to do it, is legal, we have our lawyers
8 looking at it, so we just need to make sure that we
9 all are on the same page.
10

11 COUNCIL MEMBER MENCHACA: Thank you
12 panel.

13 CHAIRPERSON RICHARDS: Williams, followed
14 by Kallos.

15 COUNCIL MEMBER WILLIAMS: Thank you very
16 much. Just to follow up on the labor piece, I do
17 believe there are some very good unions that are
18 diverse, but the fact is there actually are some that
19 are not very diverse and so I wanna make sure that we
20 balance that as well and also some accusations of
21 people who go through apprenticeship programs that
22 are very good, but they're the last hired and the
23 first fired, so we have problems with that as well; I
24 just wanna make sure that as we talk I'm always gonna
25 push the union and prevailing wages 'cause it's

1
2 important, but hopefully we can also just talk about
3 the need for local hiring as well and diversity in
4 the hiring as we move forward with that as well. So
5 thank you. And thank you for the entire panel.

6 I had a couple of points; one, I'm
7 interested in the legality of whether or not we can
8 put some things in there or can't and so thank you
9 for pointing out some of the things you pointed out,
10 Mr. Purcell. If there are other places where you can
11 help us see that there are places that we can put
12 some of this language in there and that they're
13 wrong, as my colleague was saying, you need to help
14 us make that case, if you have attorneys that are
15 looking at this, please help us. We can also perhaps
16 put companion bills in at the same time, so if you
17 have any companion bills that maybe we should be
18 running concurrently in the next 50 days that if we
19 can't put in legally, we can maybe run it at the same
20 time; that may be helpful as well. So please, take
21 me up and my colleagues on that as well; we really
22 want to make sure that we look at this thing as a
23 whole and make sure that communities are affected in
24 a good way with this plan.

1 When it comes to the 30%, I just really
2 wanna understand; how do we do it? So I think no one
3 disagrees that it's expensive to do it; are you
4 saying that we should just as a city put more money
5 in it or do you think there is money on the table in
6 the plan currently that we just need to transfer?
7 Help me understand where we get that to pay for 30%.

8 JONATHAN WESTIN: You're talking about in
9 terms of getting to 30% AMI? Yeah, so I mean I think
10 this is where our argument has been, was we're never
11 gonna be able to subsidize enough 30% AMI apartments
12 in order to be able to house the lowest income
13 families in the city and which is why we have to use
14 zoning to get to the 30% level. And I think what
15 you're asking in terms of how do we get to the 30%,
16 we get there by actually requiring developers that
17 we're giving density away to to do more and I think
18 that's what this plan fails to do, is it fails to get
19 to those levels and the density just goes into the
20 developer's pocket, and I think that's been our
21 problem with the Mandatory Inclusionary Housing, the
22 plan on rezoning neighborhoods across the city is
23 that density is literally just going in the
24 developer's pocket and that's where it's not that,
25

1
2 you know, the workers are taking more, it's not that
3 the affordability, it is the developers, [bell]
4 that's where the money is going and we can all be
5 clear on that.

6 COUNCIL MEMBER WILLIAMS: Thank you.

7 Also, I just wanna know if you think we need to go
8 higher than what MIH is saying or you think we have
9 enough density now to get to that? And just in
10 closing, we also need your help because most
11 communities get scared at the word dense and so we
12 need help in helping our community understand what
13 exactly is necessary. I appreciate all the work that
14 you're doing, please continue to push this in a
15 direction that we need to go.

16 JONATHAN WESTIN: Thank you very much...

17 [crosstalk]

18 CHAIRPERSON RICHARDS: Thank you, Council
19 Member Williams. Councilman Kallos.

20 COUNCIL MEMBER KALLOS: Thank you very
21 much for this panel for joining us for five hours of
22 testimony just so we can hear your voice and your
23 voice is very important.

24 To the young lady in the orange shirt,
25 what is affordability that is necessary so that you

2 and your neighbors can stay in this city? If you
3 could speak to a microphone.

4 [background comments]

5 COUNCIL MEMBER KALLOS: Is it \$46,000 for
6 a family of three [sic]...? [crosstalk]

7 MADELINE MENDEZ: No...

8 COUNCIL MEMBER KALLOS: Uh...

9 MADELINE MENDEZ: it's lower.

10 COUNCIL MEMBER KALLOS: Is it \$31,000 for
11 a family of three...? [crosstalk]

12 MADELINE MENDEZ: No. There's a lot of
13 people who are disabled who cannot afford, who are
14 making like \$8,000 a year.

15 COUNCIL MEMBER KALLOS: And are they in a
16 family of three or are they single adults?

17 MADELINE MENDEZ: Single...

18 COUNCIL MEMBER KALLOS: Uh...

19 MADELINE MENDEZ: and families. We're
20 speaking of people that are on SSI disability, sir.

21 COUNCIL MEMBER KALLOS: Okay. So if you
22 heard my initial testimony, I agree with you, but...
23 and you agree with us that these people deserve to be
24 a part of our city?

25 MADELINE MENDEZ: Yes.

2 COUNCIL MEMBER KALLOS: And then I guess
3 a question to... just full disclosure; I used to work
4 for Mason Tenders, but my question for the Mason
5 Tenders, Pat Purcell and LECET, just -- do your
6 members on average as part of their prevailing wage
7 earn \$46,620 for a family of three?

8 PAT PURCELL: I'm sorry; what?

9 COUNCIL MEMBER KALLOS: Do Mason Tenders...
10 [interpose]

11 PAT PURCELL: Once the numbers start
12 flowing, I...

13 COUNCIL MEMBER KALLOS: Sorry. Do Mason
14 Tenders, as a family of three, do they generally make
15 more or less than \$46,000?

16 PAT PURCELL: It varies, I mean some
17 definitely make more, you know, obviously we have
18 some that make more, it depends on where they are,
19 but yes, usually they tend to make more. But there..
20 Again, it's all over the place; a majority of them do
21 not; I mean I can tell you that right now, a majority
22 of them do not...

23 COUNCIL MEMBER KALLOS: And how many of
24 your members can afford market rates at \$5,000 or
25

2 \$6,000 a month for a one-bedroom or a two-bedroom...?

3 [crosstalk]

4 PAT PURCELL: They could probably fill up
5 a phone booth.

6 COUNCIL MEMBER KALLOS: Okay. So that...

7 PAT PURCELL: With me being in there with
8 them.

9 COUNCIL MEMBER KALLOS: No worries.

10 [laughter] So do you see as part of this
11 affordability plan a band that would be suitable for
12 your members?

13 PAT PURCELL: I'll be very honest, I mean
14 obviously our members are very concerned as to what
15 that band would be with numbers, I mean I would
16 really have to sit and talk more about that; the
17 policy stuff on that, I'll be very honest, we talk
18 and defer more to our policy folks on that, but
19 clearly, our members want to have the most
20 affordability, not at the numbers that everybody's
21 been hearing throughout this city and every time they
22 pick up the newspaper... [crosstalk]

23 COUNCIL MEMBER KALLOS: So...

24

25

PAT PURCELL: so what I would simply say to you that our members wanna see more affordability, deeper affordability... [crosstalk]

COUNCIL MEMBER KALLOS: Yeah.

PAT PURCELL: because this city in addition regardless is an incredibly expensive place to live and they don't make anywhere near the necessary incomes that we're [bell] starting to see and have seen for what is supposedly affordable housing.

COUNCIL MEMBER KALLOS: Right. And so I guess what I wanna make clear is I want to have a city that has housing in a single building where both people who are disabled on SSI and low-income New Yorkers can live and working class New Yorkers and have that deep level and that broad level and I just wanna echo and my... I am over, so I just wanna just say that, thank you to Carlos Menchaca for asking all the questions I had wanted to ask and I just thank you for your hard work and proving that we don't have to trade safety for affordability; that that is a Hobson's choice and that is a lie; we do not need to trade safety for affordability and as the feasibility study has said, we can get to 50% affordability and

2 thank you for standing with us and the Council on
3 trying to fight for every single piece of
4 affordability that we can.

5 CHAIRPERSON RICHARDS: Thank you all for
6 your testimony, we look forward to continuing to work
7 with you to try to craft a plan that is reflective of
8 all New Yorkers. Thank you.

9 'Kay, next panel -- Alexa Sewell of
10 Settlement Housing Fund; Kyle Bragg, 32BJ, and also a
11 constituent of mine; Kathy Wylde, Partnership for New
12 York City; David Karnovsky -- does that say Fried
13 Frank? [background comments] Fried Frank, okay,
14 alrighty, and Dawanna Williams from Dabar
15 Development. I ask you all to state your name for
16 the record and the organization you're representing
17 and then you may begin your testimony.

18 [background comments]

19 ALEXA SEWELL: 'Kay, I'll get started
20 'cause I know everybody's anxious to move forward.

21 My name is Alexa Sewel... [interpose]

22 CHAIRPERSON RICHARDS: Just speak a
23 little bit more into the mic.

24 ALEXA SEWELL: My name is Alexa Sewell;
25 I'm the President of Settlement Housing Fund. Since

1 our founding -- and thank you so much for having me
2 and the others here today. Since our founding in
3 1969, Settlement Housing Fund has developed 57
4 projects, with over 8700 apartments; currently we own
5 and operate around 1700 units, with the largest
6 concentrations of our housing and programs in the
7 Mount Eden section of the Southwest Bronx, in Crown
8 Heights, Brooklyn and the Two Bridges redevelopment
9 area on the Lower East Side, all neighborhoods
10 undergoing a great deal of change and expecting to
11 see more in the near future.

12
13 It's the strong opinion of Settlement
14 Housing Fund that the proposed Mandatory Inclusionary
15 Housing program is an important tool to creating and
16 sustaining affordable housing in New York City and in
17 particular we like the proposal for three reasons:
18 1. It's not the only tool; mandatory inclusionary is
19 one of many ways for the City and its development
20 partners to achieve affordability. Settlement is
21 committed to setting aside 30% of our units for
22 extremely low-income tenants, households that earn
23 around \$26,000 a year. We think that MIH is going to
24 help us toward that end by allowing for income
25 mixing, but also by creating an environment in which

1 the private market is creating more units at 60% and
2 80% and allowing for scarce City resources to be used
3 to subsidize housing for lower income families.

4 2. We like it because we think it's gonna instill
5 some rationality into land prices. It's increasingly
6 difficult for affordable developers such as ourselves
7 to compete with market rate developers who are
8 willing to pay speculative prices for land, assuming
9 that they are going to be able to get higher and
10 higher rents over time. And the 3rd reason is
11 because mandatory inclusionary is permanent. We're a
12 non-profit mission-driven organization; we keep all
13 of our housing affordable over the long-term, but
14 unfortunately we're the exception and not the rule.

15 Much of the debate that we're hearing
16 centers around affordability levels and people asking
17 how much can we get; can we go deeper; can we go
18 deeper; I agree that that should be the priority for
19 this city; I agree that the greatest need is for
20 lower income households, but I think we need to be
21 honest about what a mandatory inclusionary policy can
22 and cannot do. All of the programs that have been
23 discussed by the previous panel, I've looked at them;
24 I think they are indeed fab; I think that we should
25

1 be looking at ways to get to deeper affordability,
2 but the reality of those programs is that they
3 require subsidy; that question was asked by Council
4 Member Williams and I don't know that it was
5 addressed fully and clearly. Everything in those pro
6 formas that I've looked at require additional
7 subsidy; it is not the same thing as what we're
8 talking about here around mandatory inclusionary,
9 [bell] which is requiring developers to create 60%
10 and 80% units without additional subsidy.

12 DAVID KARNOVSKY: Good afternoon, my name
13 is David Karnovsky; I'm a member of the law firm of
14 Fried Frank and before joining the firm I was general
15 counsel to the Department of City Planning for 15
16 years. I'm here today in my individual capacity to
17 just offer a few comments and observations about the
18 proposal.

19 One of the things that's very striking to
20 me about the public review process today is that
21 despite a lot of difference of opinion about how to
22 approach aspects of MIH there's been a general
23 consensus that an inclusionary housing mandate is the
24 right thing to do and that's a terrific thing, but
25 it's perhaps for this reason that somewhat lost in

1 the discussion is the fact that this proposal has
2 been prepared with a lot of attention to how to
3 ensure that a new MIH program will withstand legal
4 challenge. There is an argument that's rooted in the
5 exactions doctrine that an affordable housing
6 requirement applied to a market rate development is
7 invalid unless it can be shown that the particular
8 market rate development has a negative impact on the
9 city's affordable housing supply and that the
10 requirement is addressed to and proportional to that
11 adverse impact.
12

13 Now there are a number of legal arguments
14 why this is incorrect and your Counsel, Julie Lubin,
15 knows those arguments inside and out; however, in
16 designing a mandatory inclusionary system to
17 withstand legal challenge, it remains important to
18 recognize that at bottom what this doctrine is trying
19 to address is the problem of government overreaching
20 when conditions are imposed on development approvals,
21 particularly when this happens on an ad hoc basis.
22 The proposal before you today clearly does not do
23 that; it is not just a way to maximize the production
24 of units by extracting as much affordable housing as
25 possible from owners and developers whenever or

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2 however possible; instead, the MIH proposal is a
3 citywide zoning program designed to serve a well-
4 conceived land use purpose of creating mixed-income,
5 economically diverse communities and it does this by
6 establishing a zoning template, thereby protecting
7 against ad hoc decisions made on a case by case
8 basis, while also creating flexibility by allowing
9 for a series of options and it is based on careful
10 study of what is feasible in a marketplace.

11 Now precisely because it is a general
12 land use regulation, it's been designed to operate
13 throughout the city under a range of market
14 conditions; it is not based and it shouldn't be based
15 on the idea that in any given instance on any given
16 site the City should figure out how much affordable
17 housing can be obtained from owners and developers,
18 and I would suggest that the articulation of the
19 program's goal as maximizing leverage is not likely
20 to succeed in the courts.

21 Having said this, there are two areas of
22 the proposal I wanna briefly mention that I think
23 require some more attention. The provision of the
24 text which allows for a reduction and modification of
25 the requirements by the BSA by special permit is

1 important to the legality of the program; you need a
2 safety valve to address the potential situation where
3 application of the requirements to a particular site
4 is unworkable. The concern that the safety valve not
5 become a leaky faucet is a very legitimate one, but
6 it's also important to ensure that the process not
7 impede the ability of people to seek relief. The BSA
8 special permit provision was in fact considerable
9 tightened up by the Department of City Planning and
10 the Planning Commission before its vote and those
11 changes are useful, but there are other ways in which
12 it may create impediments to parties seeking relief
13 and I'm not gonna bore you with the details of that,
14 but I want to have the opportunity to discuss that
15 with your counsel. I recognize that opening up the
16 process a little bit is not your priority; however,
17 it's important and you need a provision that is tough
18 but fair.

19
20 The second comment that I wanna make is
21 with respect to aspects of the proposal that would
22 allow the Planning Commission to apply MIH to
23 applications for City Planning Special Permits. As
24 these provisions are drafted, they give the
25 Commission a very significant discretion to do that

1 [bell] and would introduce into the proposal a kind
2 of ad hoc decision-making that it otherwise avoids,
3 and I think this is particularly problematic with
4 respect to incentive bonuses, which are designed to
5 afford and to advance other policy objectives, such
6 as transportation improvements. Like this BSA
7 special permit, I think this is an area that deserves
8 further scrutiny, both for legal and policy reasons
9 and I urge you to do that in order to strengthen the
10 proposal which overall I believe has been carefully
11 structured to address legal concerns. Thank you for
12 the opportunity to speak.

14 KYLE BRAGG: Good afternoon Council
15 Members. My name is Kyle Bragg and I'm Secretary
16 Treasurer of SEIU, Local 32BJ. I'm here on behalf of
17 32BJ President Hector Figueroa and the 75,000 32BJ
18 members who work and live here in New York City in
19 support of Mandatory Inclusionary Housing.

20 32BJ stands behind the Mayor's affordable
21 housing proposals; Mandatory Inclusionary Housing
22 sets a minimum and permanent base of affordable
23 housing in new residential buildings that benefit
24 from a rezoning. As you will hear from 32BJ member
25 Mary Rosario and airport worker Delores Green, who

1 are seated here in the chambers in the front row,
2 working New Yorkers are in desperate need of housing
3 option across a variety of income bands. Mandatory
4 Inclusionary Housing is one tool among many to help
5 deliver this kind of housing. Combined with
6 subsidies to build deeper levels and high percentages
7 of affordable housing and strong tenant protection
8 programs to ensure that new developments don't
9 displace existing residents, as we've seen happen
10 around the city, MIH will go a long way to ensure
11 that thousands of working people can continue to call
12 this city their home. Thank you.

14 DAWANNA WILLIAMS: Good afternoon, City
15 Council; it's an honor to be here. My name is
16 Dawanna Williams and I'm the Managing Principal and
17 Founder of Dabar Development Partners, we are a real
18 estate development and investment firm.

19 I am not just a developer, but I am also
20 a stakeholder in the communities in which we develop,
21 primarily in Brooklyn and Upper Manhattan. I have
22 lived specifically in Fort Greene, Clinton Hill, Bed-
23 Stuy and Harlem over the past 20 years. I support
24 the Mayor's affordability plan to build 200,000 units
25 over 10 years and specifically I support the

1
2 Mandatory Inclusionary Housing, also known as MIH
3 proposal, whose landmark is permanent affordability.

4 While the plan is not perfect, as has
5 been pointed out by Manhattan Borough President Gale
6 Brewer, with her conditional support, the plan is an
7 important vehicle and I strongly support it because
8 it incentivizes developers to build more affordable
9 housing as it allow future rezoning to create
10 additional capacity in medium-density districts.

11 I can cite an example where MIH would've
12 been helpful to my firm over the past year. We have
13 been pursuing a site which is nearly a block in East
14 Harlem for several months, that site is located in
15 East Harlem which is a community where there is high-
16 density population, but not enough housing that meets
17 the community's needs. This site is zoned for low-
18 density; if we build there, the result would be
19 inefficient use, wasted air and not the highest and
20 best use of the property. Unfortunately, to cover
21 construction costs, zoning forces me to build market
22 rate only; that is contrary to both community's
23 desire and my desire, both professionally and
24 personally.

1 The solution would be to build more and
2 include more; we could protect lower income residents
3 from displacement; the solution would be to provide
4 mixed-income development to lift the neighborhood
5 because we all know that a rising tide lifts all
6 boats. In this particular scenario I can build, as a
7 private developer, as-of-right with no affordability
8 49 market rate units; with MIH we would be able to
9 build 100 plus units, many of which could be
10 affordable and various bands of affordability, but I
11 need the City's help to build more and through
12 partnership we can have more affordability.
13

14 In conclusion, the MIH proposal ushers in
15 a new era in housing where permanence is a component
16 of affordable housing in New York City while both
17 communities and developers can be stakeholders in
18 that change. Thank you.

19 ESTELA VAZQUEZ: Good afternoon. Buenas
20 tardes. My name is Estella Vazquez; I'm an Executive
21 Vice President of 1199 SEIU and I'm today presenting
22 testimony on behalf of my union President George
23 Gresham.

24 1199 represents over 200,000 members in
25 the City of New York. Last year we conducted a

1 survey which revealed that decent, affordable housing
2 ranks a most important, top priority for our members.
3 The lack of affordable housing has a negative effect
4 on society as a whole; it forces people to remain in
5 substandard housing without alternatives, families
6 double and triple, creating overcrowding; businesses
7 cannot recruit and retain a steady workforce and is
8 one of the leading causes of homelessness. As rents
9 continue to rise and more units are deregulated by
10 vacancy decontrol, renters have fewer and fewer and
11 fewer options; rent skyrockets, making the cost
12 prohibited for the average working family. Health
13 care workers and others in fields that provide round
14 the clock services move further and further away from
15 the city and even out of state, resulting in
16 increased commuting time, costs and stress which
17 leads to illnesses; it is a tremendous hardship
18 financially and particularly during emergency
19 situations like inclement weather; Mandatory
20 Inclusionary Housing will apply to future rezoning
21 with districts establishing priorities based on their
22 needs and zoning for quality and affordability will
23 better support senior housing. Unlike Mitchell-Lama,
24 the 421-a and the J-51 programs, this proposal will
25

1 generate tens of thousands of permanent affordable
2 housing units and it is incumbent upon the City
3 Council to work with the Mayor to ensure positive
4 outcome in meeting the needs of our residents.
5

6 We have an opportunity here to be
7 proactive and provide some relief; we can discuss
8 MAIs and parking later, but let us not forget 1.5
9 million New Yorkers are looking for affordable
10 housing. We, the members and officers of 1199 are
11 very much interested in seeing the passage of this
12 proposal and we fully, thoroughly support it. Thank
13 you for listening.

14 CHAIRPERSON RICHARDS: Thank you so much
15 for your testimonial.

16 Just a quick question for Miss Williams,
17 for the developers, the other -- forgot your name;
18 sorry, [background comment] wrote it down. Do you
19 see a path towards deeper affordability or other
20 options in this plan?

21 ALEXA SEWELL: I think that's a very good
22 question and a little bit at the crux of the debate
23 here; I think, as we all know, real estate is a local
24 issue and it is not one size fits all across the
25 city; arguably yes, you could probably get deeper

1 affordability under this plan in very, very, very
2 strong markets; I would say core Manhattan; maybe the
3 project that you were talking about even you could go
4 lower; I'm not sure. Certainly in the neighborhoods
5 that the Settlement Housing Fund works in and we're
6 looking at a site that's right in the heart of the
7 Jerome Avenue rezoning area that we're looking to do
8 a mixed-income project at that would range from 30%
9 up to 90%; our project would look very much like what
10 the panelists before were asking for; in order to get
11 that built, we need around \$20 million in subsidy,
12 straight subsidy and another \$20 million in tax
13 exempt bonds. So absolutely you cannot... the market
14 will not support deeper affordability in much of New
15 York City; I strongly believe that.

17 DAWANNA WILLIAMS: I agree. I've been
18 here for the past four hours and I've heard the
19 question posed many times. I think that the answer
20 is twofold, in order to have deeper affordability you
21 do have to have more subsidy because there has to be
22 a way to cover the increased cost that you will not
23 be recovering from the tenant or that a homeowner
24 would pay, so there has to be greater subsidy. Also
25 I think that it depends on the neighborhood, because

1 one size does not fit all; every neighborhood is
2 different, so I would encourage you that if you do
3 recommend deeper affordability that perhaps there be
4 some type of stratification among the different
5 neighborhoods; that's it not a one size fits all
6 answer.

8 CHAIRPERSON RICHARDS: Okay, so stronger
9 markets, room for deeper affordability and perhaps a
10 high... [crosstalk]

11 DAWANNA WILLIAMS: Perhaps that's one
12 way, along with more subsidy.

13 CHAIRPERSON RICHARDS: Okay. Alrighty,
14 we will go to Council Member Williams.

15 COUNCIL MEMBER WILLIAMS: Thank you very
16 much. I'm up here; this is a nice chair, you've
17 gotta tell Tish she's gotta watch out, [laughter]
18 feels good up here.

19 Thank you so much for all the work that
20 you all are doing; this is primarily -- I wanna
21 follow up on what the Chair was asking Miss Williams
22 and Miss Sewell, 'cause it is the crux of it; is the
23 money there or it's not; I mean there shouldn't be so
24 much argument, everybody has the same -- you know,
25 numbers are the same thing for everybody and so I'm

1 really trying to understand that if we are giving
2 more through the zoning, logic says that if you're
3 being able to build more than you were before, you
4 can give up more to go deeper in affordability. Can
5 you just walk us through why that is not necessarily
6 the case and can you just repeat again how much
7 subsidy you think you would need to get down to 30%?

9 ALEXA SEWELL: Well I mean it really
10 depends on where you are and what you're buying and
11 how much you're spending on the land. So I can tell
12 you, using the example that I alluded to earlier,
13 we're looking at a site, which we're close to being
14 in contract on; otherwise I would tell you exactly
15 where it is, but we're hoping to get a rezoning to
16 build 145 units of housing; we're paying around \$4
17 million for the site, which puts us at about \$29 a
18 square foot, which in today's market is very
19 reasonable. In order to serve families -- you know
20 we're -- like I said, we're doing a big spread, 30%
21 AMI up to 90% AMI; we're hoping that we'll find
22 people at 90% AMI to be able to even lease those
23 units, because as everybody here who is representing
24 the Bronx has said repeatedly, people who are living
25 in that neighborhood are low to extremely low income

1 and there aren't a lot of people at 90% AMI. In our
2 pro forma, in order to get down to the 30% AMI, we
3 need about \$20 million in subsidy...

4 COUNCIL MEMBER WILLIAMS: Is that per
5 year?

6 ALEXA SEWELL: No, that's up front
7 capital subsidy from the City and then another \$20
8 million in tax exempt bonds which isn't subsidy, but
9 it's low-cost **[inaudible]**... [crosstalk]

10 COUNCIL MEMBER WILLIAMS: That's per
11 year?

12 ALEXA SEWELL: That's also over the life
13 of the project.

14 COUNCIL MEMBER WILLIAMS: Is that \$20
15 million per year over the life?

16 ALEXA SEWELL: No, \$20 million up front
17 in subsidy.

18 COUNCIL MEMBER WILLIAMS: And the taxing?

19 ALEXA SEWELL: And that's one time
20 financing to allow us to build the project.

21 COUNCIL MEMBER WILLIAMS: So you wouldn't
22 need more per year...? [crosstalk]

23 ALEXA SEWELL: No.
24
25

2 COUNCIL MEMBER WILLIAMS: How would you
3 then operate the building if you are getting that low
4 amount for the apartment?

5 ALEXA SEWELL: The vast majority of the
6 financing that we need, we need it up front; it
7 majorly subsidizes the cost of building the
8 development and allows us to keep rents low. For a
9 small band of people we're hoping to use a new HPD
10 product, which is -- I always forget the name -- Come
11 Home [bell] or something like that, which allows us
12 to serve families coming out of the shelter system
13 and that is an ongoing operating subsidy.

14 COUNCIL MEMBER WILLIAMS: Oh. Well thank
15 you very much and I'd love to hear what your response
16 is. What I also wanna know is; is density a problem
17 or do you think we need to go higher to get lower or
18 do you think there's no amount of higher, it's just
19 the subsidies that needs to be put in there?

20 DAWANNA WILLIAMS: Good afternoon,
21 Councilman Williams; great to see you again. So
22 there are two answers that I'd like to review to your
23 question. The first is on -- you really wanted to
24 understand why it costs -- how affordability is
25 impacted by these units, so I can give you an

1 example. I happen to be working on an affordable
2 project now in East New York in Councilwoman Barron's
3 district, and I haven't met with her just yet, but
4 just to give you an example, this is a homeownership
5 opportunity, these are townhouses on scattered lots
6 in East New York, so all in costs to build these
7 units, these three-family homes is \$600,000; there
8 are three components, there is the acquisition cost,
9 the hard cost and the soft cost, and all of that
10 totals \$600,000 to build. We attempting to sell
11 those units at 80% of AMI or less in order to allow a
12 preference for those people from the community to buy
13 them, so that would be \$400,000; however, they are
14 three-family homes and there are two rentals, which
15 allow the owner to have two rents that will subsidize
16 their ability to pay, so you could potentially make
17 around \$35,000 and still afford one of these homes at
18 \$400,000 and that would allow pretty much half of the
19 people from the community to be able to afford one of
20 these homes. Now we would receive two subsidies; one
21 is \$70,000 from HPD, the other subsidy is \$70,000
22 from HDC, so if you just do the math, \$400,000 on the
23 purchase price, \$70,000 from HPD and \$70,000 from
24 HDC, that's \$540,000; my cost is \$600,000; I'm still
25

1 short, even with two subsidies \$60,000; I'm seeking
2 other people for funds to do that. So in order to
3 make this work in this particular community, I'm
4 short subsidy, but the question is, what if it were
5 30% of AMI, how could I sell this home? If the price
6 were less at 30% of AMI, the price would have to be
7 somewhere around \$200,000; that would mean I would be
8 \$260,000 short, so I'm seeking even more shortage.
9 Now if we were in a different neighborhood, 80% of
10 AMI may be achievable and even more than that may be
11 achievable, so that's why I said you have to stratify
12 because it matters by neighborhood. But to give you
13 the final answer, the reason why this becomes even
14 more of an issue is that sometimes in our more
15 disadvantaged communities we have more issues, such
16 as environmental issues; for this particular example
17 I just cited, we just found out we have environmental
18 issues on this site and it's going to cost
19 approximately \$200,000 to do the cleanup. So now I
20 am deeper into the issue of covering the costs; now
21 it costs me not just \$600,000, but \$800,000 to build
22 this one townhouse. So I'm giving you an example of
23 how subsidy really does play a role because at some
24 point the costs have to be paid, either by subsidized
25

1 housing or by the purchaser on the other end or the
2 tenants paying rent on the other end.

3
4 The question regarding density -- yes, if
5 it were an apartment building, it would be covered
6 because I could then build more units to cover the
7 density -- the density would cover those costs and
8 that's one way of achieving that outcome.

9 COUNCIL MEMBER WILLIAMS:

10 ALEXA SEWELL: Can I add just one quick
11 little anecdote to that? So for a family making
12 \$25,000 a year, which is around 30% AMI, that family
13 can afford annually at 30% of their gross income
14 \$7500 in rent. The industry standard for what it
15 costs to operate a unit annually is \$8,000. So
16 there's a differential there, right; that's why
17 everybody says it's really hard to build and run
18 housing that's affordable to people at 30% AMI. In
19 really, really strong markets where you're getting
20 \$5,000, \$6,000 rents, you can use those rents to
21 cross-subsidize down to make up that difference, but
22 in most markets you're not getting rents like that;
23 people like to focus on rents like that, but you're
24 not getting rents like that in Mount Eden, where
25 Settlement Housing Fund is looking at and where

1 there's this big rezoning, you're not gonna get rents
2 like that to be able to subsidize; you really need
3 the City programs to make the units affordable to
4 people at those incomes; we think you need to do that
5 or there need to be the resource to do that; it
6 should be a priority, but it's not gonna happen
7 through mandatory inclusionary.
8

9 CHAIRPERSON RICHARDS: Thank you. Gonna
10 go to Council Member Barron. Gonna make an
11 announcement; our numbers are sort of alternating
12 because we're going between pro and con, so the next
13 panel will be from six to ten, but I just want the
14 public to be aware that we're doing pro and con, so
15 the numbers may change and not reflect what they
16 really are. You may continue, Council Member Barron.

17 COUNCIL MEMBER BARRON: Thank you,
18 Mr. Chair. I just have a few brief questions. First
19 of all I wanted to acknowledge the work that's being
20 done and I think that's the NIHOP program that you're
21 talking about, Neighborhood Infill Homeownership
22 Program, which alludes to my statement earlier about,
23 especially for black and Latino families, one of the
24 ways to wealth is through homeownership, so I
25 wholeheartedly support that program.

2 Just a question for the first panelist,
3 as you talk about -- I didn't get all the numbers
4 that you were citing for the acquisition and
5 construction, all of that, but as people look at
6 developers coming in with projects, they wonder
7 what's reasonable and what's greedy. So is there a
8 percentage that's considered reasonable in terms of
9 profit or sometimes it's called rate of return is
10 composed to rate of investment, so what is that
11 figure; is there a percentage; is there a range; does
12 anybody know? I've asked the question and I get...
13 [interpose, background comments] you know...

14 ALEXA SEWELL: I'm gonna let the for-
15 profit developer answer that one; we make basically
16 nothing.

17 COUNCIL MEMBER BARRON: Okay.

18 DAWANNA WILLIAMS: I don't think that
19 there's an answer to the question...

20 COUNCIL MEMBER BARRON: There's no answer
21 to the question?

22 DAWANNA WILLIAMS: I don't think so; it
23 really varies... [crosstalk]

24 COUNCIL MEMBER BARRON: That's a problem.
25

1 DAWANNA WILLIAMS: It really varies, but
2 I will say HPD does limit it to anywhere between 5-
3 10% is the limit... [crosstalk]

4 COUNCIL MEMBER BARRON: Okay, so there is
5 a range that they look at?

6 DAWANNA WILLIAMS: Yeah, they limit it...
7 [crosstalk]

8 COUNCIL MEMBER BARRON: Okay. Okay.
9 Thank you. And to the second presenter, you
10 referenced based on your experience that there
11 doesn't appear to be a problem with the challenges
12 that MIH may face; could you expand upon that a
13 little further, because the administration seems to
14 think that they were hampered in doing some of the
15 things that we were asking them about because it
16 might not stand up to legal challenges?

17 DAVID KARNOVSKY: I think what I was
18 trying to say is that this proposal as formulate by
19 the administration reflects a lot of consideration
20 for those potential legal challenges and I thought it
21 was well constructed from that perspective and what I
22 was suggesting was that as you think about potential
23 modifications that you continue to think about this
24 as a land use program, as a program, meaning
25

1 something that works across a variety of scenarios
2 and in a variety of situations and that you not think
3 about this as an attempt to try to simply maximize
4 leverage, which itself is not really a land use
5 purpose, and if you keep that perspective in mind,
6 I'm confident that you can get to a point where
7 whatever changes you make will also be able to
8 withstand challenge; that was the perspective I was
9 offering.
10

11 COUNCIL MEMBER BARRON: Thank you. Thank
12 you, Mr. Chair.

13 CHAIRPERSON RICHARDS: Thank you. Thank
14 you all for your testimony. Good seeing you, Kyle.

15 Alright, we'll next go to the next panel;
16 this is six through ten -- Kayla Rivera from the
17 Coalition for Community Advancement; Jens Rasmussen
18 from the Friends of Bushwick Inlet Park [bell]; John
19 Medina from RAFA, and Judy Montanez of Make the Road
20 Staten Island.

21 [background comments]

22 MALE VOICE: Folks, if your name was
23 called, just take a seat. Your name was called? If
24 your name was called, take a seat. Folks, if your
25 name was called, please take a seat.

[background comments]

CHAIR GREENFIELD: If you're ready.

We'll start from left to right; are you ready to testify? Please, please begin. Thank you.

KAYLA RIVERA: Good afternoon, City Council; my name is Kayla Rivera and I'm a Community Organizer working with the Coalition for Community Advancement... [crosstalk]

CHAIR GREENFIELD: Quiet... Sorry, ma'am, just one second. Please quiet please. [background comments] Thank you very much.

KAYLA RIVERA: So my name is Kayla Rivera and I'm here today with the Coalition for Community Advancement out of East New York, Brooklyn.

Mayor de Blasio's plan, as you've heard today, to spur affordable housing development in the City of New York is lacking, tremendously. Communities across the city have spoken out about the accelerated timeline of the administration's affordable housing plan. In addition to the two citywide proposals being discussed before you today, and the next few days as well, East New York is undergoing the public review process for the East New York rezone. The DEIS for the administration's MIH

1 projects 3,447 units, roughly, will be created in
2 conjunction with other subsidies in East New York,
3 Cypress Hill and Brownsville. As outlined in
4 Comptroller Stringer's response to MIH, in actuality
5 only half of these units have community preference;
6 therefore there is really 1,724 affordable housing
7 units available for current residents in 11207 and
8 11208 respectively. The City's MIH proposal
9 primarily targets the 60% area median income that are
10 already served by our current housing programs,
11 leaving out more than 40% of the New Yorkers whose
12 incomes are below these levels; this will not spur
13 development of housing for middle- and low-income New
14 Yorkers; MIH will in fact cause a bigger financial
15 rift between communities, displacing thousands of New
16 Yorkers from their homes. We calling the City to
17 revise its Mandatory Inclusionary Housing proposal
18 and add additional options with deeper affordability
19 levels to meet the full range of incomes in
20 neighborhoods across the city.

22 Furthermore, we are calling for an MIH
23 proposal which has deep affordability options; 30%
24 affordable housing at an average of 30% AMI; we are
25 also calling for the City's MIH proposal to require

1 that all MIH options, regardless of average income
2 levels, set aside a band of 15% of units at the 30%
3 AMI level so that our lowest income New Yorkers can
4 continue to have a place to call home.
5

6 Community members and community boards
7 throughout the City of New York are urging for the
8 elimination of the current gentrification model that
9 sets aside 30% of units at 120% AMI.

10 As the first neighborhood in which MIH
11 will take into effect, we are asking DCP and the City
12 to establish the precise amount of housing that will
13 be available at the local AMI of \$34,000 a year and
14 demand that the City develop an alternative MIH
15 option that specifies a precise income breakdown that
16 is reflective of the needs of the community and is
17 not just an average. [bell] Almost done. We cannot
18 continue to implement policies that further subjugate
19 our communities; many of the administration's
20 supporters have mentioned the fear of halting
21 development if we make MIH too stringent; quite
22 honestly, the basic economic concept of supply and
23 demand would not allow that to happen in the City of
24 New York.
25

2 We urge City Council Members to not
3 forget... [crosstalk]

4 CHAIR GREENFIELD: Ma'am, I need you to
5 wrap up please.

6 KAYLA RIVERA: their appointed duty...

7 CHAIR GREENFIELD: Thank you.

8 KAYLA RIVERA: as community
9 representatives to stem the tide of gentrification.
10 We stand together today united for a more affordable
11 New York City... [interpose]

12 CHAIR GREENFIELD: Thank you.

13 KAYLA RIVERA: Thank you.

14 JUDY MONTANEZ: Good afternoon. My name
15 is Judy Montanez and I'm here with Make the Road
16 organization Staten Island. I am a resident of an
17 affordable housing complex in Staten Island called
18 Castleton Park Apartments and it's right across the
19 ferry. I've been living there for 40 years and I
20 have quite a lot of experience as an affordable
21 tenant living in affordable housing. I will give you
22 a little bit of my history, but first I'd like to say
23 everyone here knows that this is the developer's
24 dream a tenant's nightmare, and I speak from
25 experience.

2 The Mayor's plan -- at the beginning it
3 is beyond all of us why they did not have a planning
4 committee that included community leaders and
5 advocates from that particular borough on the
6 committee; that would've created a lot of dialogue
7 between one another and maybe a lot of the questions
8 would've been answered.

9 The Mayor's plan, in terms of -- Well let
10 me tell you my experience. I've been living 40 years
11 in the affordable housing, people's incomes change
12 over time and for example, my life; 1975 I was
13 married, made middle-income with my husband, ex-
14 husband and we had a very nice apartment in the
15 affordable complex, paying fair market, but at an
16 affordable rate in the Mitchell-Lama complex. Then I
17 got divorced; I continued paying affordable market
18 rate. In 1980 I got divorced, single parent; still
19 paying affordable market rent, but in 1995 I became
20 disabled and was unable to afford the rent, but I
21 didn't lose my home because I was living in
22 affordable housing and they lowered my rent;
23 Mitchell-Lama in particular is very good for that.
24 And in 2007 I was offered Section 8 subsidy in-house
25 and that helped me not become homeless and it was the

1 best thing that ever happened to me. We need
2 affordable housing; over the years it has changed
3 enormously.
4

5 The housing in Staten Island that's going
6 to be built in the area of manufacturing sites to
7 residential and through all... on Bay Street Corridor
8 and Front Street are areas that must have more
9 affordability and lower affordability; it is in an
10 area that is in desperate need of that and lower
11 percentages. I believe we need truly mixed-income
12 housing which would include a meaningful part at or
13 below 30% of AMI. People who are working to build
14 and renovate these developments can't even afford the
15 higher percentages of AMI, let alone the people in
16 the areas. Subsidies are temporary and it needs to
17 be permanent; subsidies always come with a catch 22;
18 I know that firsthand; my building complex is going
19 through a major overhaul and we're having major
20 issues with HPD who offers the subsidies and what
21 they come with.

22 Last, I would like to say who are gonna
23 be the watchdogs of all this plan once they become
24 developed and it's implemented, because I know
25 firsthand after the first 10 years, watch-dogging

1 stops; problems became worse and now we're so
2 overhauled with agencies and administration; no one
3 comes to visit the site any longer, so it is
4 important that we have that in place. Thank you.

5 [bell]

6 CHAIR GREENFIELD: Thank you.

7 FEMALE VOICE: Good afternoon... Is it on?
8 Sorry. This is my first time; get nervous,
9 apologize, ahead of schedule. [sic]

10 Good afternoon, Chairman; Council Members
11 for the opportunity to testify today. I apologize I
12 cough 'cause I'm sick and my apartment currently
13 don't have no heat or hot water; it's affordable
14 housing. I... my name's **[inaudible]**; I am a member of
15 Make the Road New York and I'm a low-income tenant on
16 Staten Island; I'm here today to lift the voices of
17 low-income tenants on Staten Island. I live right by
18 the proposed Bay Street Corridor rezoning. Done
19 right, the Bay Street Corridor rezoning could mean
20 good quality affordable housing for me and my family;
21 done wrong it could lead to displacement and push me
22 and my daughter onto the street. MIH will not build
23 affordable housing for me or my community; the income
24 levels currently proposed are simply way too high;
25

1 without deeper affordability I must ask you to vote
2 against the proposal. Further, beyond deeper
3 affordability in my [sic] new construction we need
4 aggressive preservation policy to protect current
5 tenants from being displaced. Huge numbers of
6 tenants on Staten Island live in unregulated housing;
7 despite the unprecedented investment in legal
8 services, those who could legally be pushed out of
9 their homes need protection too.

11 I, like many New Yorkers have been pushed
12 around the city by **[inaudible]** for most of my life; I
13 originally came from East New York, was already
14 displaced; fortunately I was able to find affordable
15 housing in Staten Island that enabled me to work and
16 keep a roof over my daughter's head. Thank god for
17 the short-term we have a place to live, but with the
18 coming rezoning and potential gratification [sic] and
19 displacement, I'm scared for our future. The only
20 time I ever made enough money to qualify for this
21 apartment and proposed new construction through MIH,
22 I was working 16 hours a day, single parent. What
23 good is a home for my daughter and I never got to see
24 her? I can't give her the fundamental values [sic]
25 she needs for her future; instead I'm working barely

1 to make ends meet. My daughter's an IP student and
2 has more challenge than the other kids; higher rent
3 would mean no tutoring to help her to school; higher
4 rent would mean no internet to help her do her school
5 work online; higher rent would mean less food on her
6 table. How can I tell my child when she's hungry I
7 can't buy food 'cause I have to pay rent? Truly
8 affordable housing would mean that I could put my
9 daughter in a better school; I could give her a park
10 that could be safe; I could show her different
11 aspects of life [sic]; I could save money for
12 education. I wanna give her the opportunities that I
13 couldn't have; I want so show her she has a future
14 and yes, she has American dream. It is
15 unfortunately, right now I live in a place I got no
16 heat and hot water; I have to get another job to try
17 to find a place 'cause I can't find something that I
18 could afford. So now she's gonna tell me again,
19 mommy, I'm not gonna see you? So what do I tell her?
20 I went to Social Service 'cause I couldn't afford it;
21 they told me 'cause I have an income I have to wait
22 45 days to get food stamps. [bell] Don't what I do,
23 [sic] to her father, who's already givin' me child
24 support, so you tell me, what am I gonna tell my
25

1 daughter today? Please tell me; she say, this is the
2 American dream?
3

4 CHAIR GREENFIELD: Thank you. We
5 actually are gonna take your information after the
6 panel; as you probably know, it's illegal for a
7 landlord not to provide heat and hot water in New
8 York and we would like to help... [crosstalk]

9 FEMALE VOICE: I've been in the
10 newspaper; my apartment consider **[inaudible]**...

11 CHAIR GREENFIELD: Okay.

12 FEMALE VOICE: That's all [sic]. Thank
13 you so much for listening today [sic]... [crosstalk]

14 CHAIR GREENFIELD: Thank you for your
15 testimony; my staff will talk to you as soon as this
16 panel is done. Thank you.

17 JOHN MEDINA: Good afternoon,
18 Subcommittee on Zoning; all Council Members. My name
19 is John Medina; I'm a Community Member Leader at
20 Community Voices Heard and with the RAFA, Real
21 Affordability for All Coalition.

22 Currently the proposed Mandatory
23 Inclusionary Housing plan by Mayor de Blasio does not
24 meet the actual AMI (area median income) levels in
25 the city's poorest communities. The neighborhoods

1 targeted by the City for rezonings are all different
2 and some communities, like East Harlem, have very low
3 incomes, so this policy should have an extremely low-
4 income option and it should reflect the
5 neighborhoods' AMIs; not outside counties, not
6 Upstate New York, not Yonkers, Westchester,
7 Connecticut, you know, I mean come on. So this
8 policy should reflect income levels at 30% of AMIs,
9 because there's people that make less than \$23,350 a
10 year. Almost 40% of families in East Harlem make
11 less than the 30% AMI; over 50% are rent-burdened,
12 reflecting possible entry into homeless shelters; we
13 are housing 65,000 people per night in shelters.
14 Most income that's earned is paid more than half
15 towards the rent; that's why we have this homeless
16 problem. We are in a housing crisis, make no mistake
17 about it, this is not a job, it's not a game, it's
18 not real estate's dream to profiteer off poor people.

19
20 The MIH plan should stipulate a
21 requirement for 30% of the AMI; there should be anti-
22 harassment policies set in place; if developers want
23 more density, MIH should have the FAAB, Floor Area
24 Affordability Bonus plan because it is legal, it
25 maximizes; it's a win-win, look into it, do your

1 homework. That gets us deeper affordability and
2 requires local hiring and good jobs. I myself an
3 East Harlem resident in the past 12 years had to
4 fight off eviction twice, not once; twice, because I
5 live in a rent-stabilized unit that the landlord
6 wants to put at market rate. Another CVH member is
7 currently dealing with harassment through money
8 offers, heavy construction all hours of the day, no
9 heat, no hot water; just like my fellow neighbor
10 here; they wanna get him out of his rent-controlled
11 apartment. The City Council desperately needs to
12 amend the current proposal for MIH to reflect real
13 affordability for residents. I am pleading with the
14 City Council, begging to investigate carefully before
15 approving any MIH plan that the Mayor offers without
16 it being seriously amended, revised and fixed to meet
17 the housing crisis; if not, this is going to result
18 in severe displacement and homelessness like you've
19 never seen before and no money in the world's gonna
20 fix it.

21
22 I served my country in the United States
23 Army honorably for 12 years and it breaks my heart to
24 come home and see hardworking families become
25

2 homeless due to crisis, due to corporate and
3 developers' greed in America. Thank you.

4 CHAIR GREENFIELD: Thank you, sir.

5 JENS RASMUSSEN: Hello. My name's Jens
6 Rasmussen; I'm a 20-year resident of Greenpoint,
7 where we have some experience with rezoning now. I'm
8 here with other community members representing the
9 Friends of Bushwick Inlet Park, who have been
10 referenced several times during the hearing today.

11 For those that don't know, Bushwick Inlet
12 Park was a key community benefit promised to the
13 community as part of the 2005 Greenpoint and
14 Williamsburg Waterfront Rezoning, the largest in the
15 City's history and that community benefit was to
16 offset the density of a wall of towers going up on
17 our waterfront. The park was explicitly called for
18 in the first paragraph of the rezoning agreement; the
19 Environmental Impact Statement said that it was
20 essential for the health of our community, the health
21 of our children to maintain our open space ratio. So
22 it's not some sort of frivolous benefit to walk out
23 poodles and drink our lattes in; it's a real
24 community health requirement. But we're not here to
25 talk about the park, we're here to talk about MIH and

1 I am gratified that our administration has made
2 affordable housing a priority and it has been
3 inspiring to see the Council here ask hard questions
4 and it has been gratifying to also see the
5 administration has attempted to learn from the
6 mistakes of the 2005 Waterfront Rezoning, but it also
7 clear from the testimony today that they have more to
8 learn. In their response to Mr. Greenfield's
9 questions about whether communities can trust that
10 there won't be a bate and switch; that there is a
11 crisis of confidence, the answers from the
12 administration were rambling and vague, but I have
13 the answer; the answer is that communities around
14 this city have rejected this proposal resoundingly
15 because they are aware that this administration is
16 not honoring the commitments of a past administration
17 and so if this administration is willing to let the
18 community of North Brooklyn live like rats in a maze
19 because the agreement we made was with a previous
20 administration, then what faith can current
21 communities have that their agreements, their hard-
22 fought, their hard-argued agreements will be honored
23 in the future? So I am here to plead with this
24 Council to pressure this administration to honor
25

1 those past agreements with Bushwick Inlet Park as a
2 gesture of good faith and to set a precedent so that
3 in 2 years, when these communities are hoping that
4 their community benefits will be rewarded, will be
5 honored; that there is a precedence to hold that
6 [bell] future administration to account.

8 CHAIR GREENFIELD: Thank you. I wanna
9 thank the entire panel for your testimony today; this
10 is exactly why we have hearings so that we can hear
11 from folks out there in the communities and certainly
12 your testimony's important, I can assure you we're
13 working very closely with your council member on the
14 park and Judy is it? [background comments] Yes.
15 And so we certainly take your testimony very
16 seriously and as you've seen all morning, we are
17 trying to address these issues and we certainly are
18 demanding that these issues be resolved before we
19 move forward with this plan. I'm gonna turn it over
20 now to Council Member Williams who'd like to make a
21 statement.

22 COUNCIL MEMBER WILLIAMS: Thank you very
23 much. I just wanna thank you for your testimony and
24 particularly thank you for sharing your story with
25 us; you're exactly who we're trying to fight for to

1
2 make sure is included; it was very touching when you
3 said your daughter asked if she's going to see you;
4 there's a lot of people who are working two; three
5 jobs and the term working poor should be abolished;
6 it shouldn't be people who are working and poor and
7 in the shelter system and we wanna make sure we push
8 forward of that, but they certainly shouldn't be
9 working and can't afford a place to stay and the City
10 certainly should not be backing a plan that doesn't
11 include people who are doing the best they can and
12 working hard, sometimes two and three jobs and so
13 thank you so much for sharing.

14 I wanted to know if anybody from the
15 administration was still here. [background comments]
16 Okay; you sure? You're a little... Okay, I just wanted
17 to make sure. Well thank you for being here, 'cause
18 I wanna make sure the administration hears these
19 stories and these are the people that we're
20 responding to when we're pushing very hard for the
21 affordability; not just for her, but for her
22 daughter. Thank you so much.

23 [background comments]

24 CHAIR GREENFIELD: Thank you, Council
25 Member Williams. Council Member Menchaca.

2 COUNCIL MEMBER MENCHACA: Thank you,
3 Chair and Council Member... [background comment] Oh I
4 have one quick question, 'cause again, you're seeing
5 a real commitment by the Council to ask the big
6 questions and I'm glad you're seeing that as well.
7 My question is really about the fact that most
8 community boards, while there's one or two that
9 approved this as is, ideas on the floor that talk
10 about affordability, we're fighting for that; the
11 FAAB concept is on the table now; we're gonna review
12 that, the legality of that; where do we get to the
13 point where we're gonna get all the community boards
14 to say you know what, we did good, we got what we
15 need in the affordability issue and does FAAB and
16 lowering the affordability option, does that get us
17 there? I'm tryin' to understand what's the new..
18 [interpose]

19 JOHN MEDINA: Yeah, I've just gotta say
20 to the Council that if you do your homework, Mayor
21 La Guardia did it and he mandated and used ULURP,
22 Uniform Land Use Review Procedures -- let everybody
23 know here, that's the law, okay; they have the power,
24 alright, they don't have to vote the Mayor's plan in,
25 they could vote it down and they come up with a

1 better plan; Mayor La Guardia did it by making all
2 developers in the city eat the profits and capped it
3 off at 6%. Inez Barron asked where is the threshold;
4 6% was the threshold; they did it without Twitter,
5 Instagram, social media, okay, so they if they did it
6 back then with barely a high school diploma; dammit,
7 we could do that today, 'cause \$2.5 billion for a
8 trolley car, you could put that into affordable
9 housing, okay?
10

11 COUNCIL MEMBER MENCHACA: Great. Thank
12 you, and that's the conversation we're gonna continue
13 to have with all the organizations to really
14 understand how we get to a point where we go from no
15 citywide to we got it, we have that plan. Thank you.

16 CHAIR GREENFIELD: Thank you. I just
17 wanna clarify one point for the record and I
18 certainly appreciate your point and your passion, but
19 just is an important point as the Chair of the Land
20 Use Committee, which is that if we vote down this
21 proposal we have no affordable housing plan within
22 the zoning plan. The preferred option at this point
23 we're looking at is to try to improve and change the
24 proposal so that we can satisfy your concerns and
25 that's something that we're certainly looking to do.

2 JOHN MEDINA: Yeah, but I just wanted to
3 clear that when it comes to profit, developers -- I
4 hate when they say to the City Council and the people
5 of this city that it can't be done because they can't
6 sustain the operational costs. Bullshit; they make
7 enough money in this damn city... [crosstalk]

8 CHAIR GREENFIELD: Sir...

9 JOHN MEDINA: okay, if the 2nd Avenue
10 subway can run over, almost running 20 years now into
11 trillions of dollars, they could build affordable
12 housing.

13 CHAIR GREENFIELD: We hear you loud and
14 clear. Thank you, panel. We're gonna call up our
15 next panel -- Raymond Blanchette, representing A.R.
16 Bernard; Daniel Marks Cohen of the New York City
17 Housing Partnership; Jolie Milstein, NYSFAH; Alex
18 Schwartz from The New School; Ted Houghton from
19 Gateway, and Delores Green from 32BJ. This is a
20 panel in favor.

21 [background comments]

22 [pause]

23 CHAIR GREENFIELD: Delores; are you ready
24 to begin? Why don't we start? Thank you.

2 DELORES GREEN: Good afternoon and thank
3 you for the opportunity of allowing me to testify
4 today. My name is Delores Green; I work at the
5 airport and I am a Passenger Verification Agent for
6 American Airlines, subcontract Ulin [sp?] at JFK
7 Airport and I live in East New York.

8 There is a major problem of affordable
9 housing for the working people in New York City. I
10 just make \$10.10 per hour; that equals \$21,000 before
11 taxes and when I'm done paying rent I barely have
12 enough for food to eat. I'm just one of 8,000 New
13 York airport workers who are making poverty wages in
14 our city.

15 We are finding it harder and harder to
16 afford to live in our own neighborhoods. Part of the
17 solution is higher wages; the other part is housing
18 prices for affordable living. Mayor de Blasio's plan
19 for MIH will increase the amount of the volume of
20 housing for the hardworking people like me who are
21 seeking housing opportunities. This is so important;
22 I have seen so many co-workers, friends; family
23 members in my community move because they couldn't
24 pay the rent.

2 On behalf of 8,000 low-wage airport
3 workers who represent just about every neighborhood
4 in this city, I would like to say thank you to Mayor
5 de Blasio for standing up for what he believes and we
6 will stand behind the City until the plan is
7 implemented. Thank you.

8 CHAIR GREENFIELD: Thank you, Delores.

9 [background comment]

10 TED HOUGHTON: Want me to go ahead? My
11 name is Ted Houghton; I'm the President of Gateway
12 Housing, a new non-profit that is transforming New
13 York City's response to homelessness. Over the past
14 25 years I've served as Executive Deputy Commissioner
15 of the New York State Homes and Community Renewal,
16 Executive Director, Supportive Housing Network in New
17 York and at New York City Department of Homeless
18 Services and the Coalition for the Homeless. Thank
19 you for this opportunity to testify in favor of the
20 two proposed zoning amendments.

21 The zoning resolution that's intended to
22 ensure that we build high-quality buildings that
23 enhance neighborhoods is an essential tool but it
24 does limit the number of housing units we build each
25 year. We've grown by one million people since 1990;

1 housing production has not kept pace, to say the
2 least; as a result, we have the worst housing
3 shortage in 50 years; it's much worse than it was 10
4 or 20 years ago; we must address this with every tool
5 at our disposal; one of those is to increase density,
6 we need to build bigger while preserving the
7 livability and character of these neighborhoods; the
8 Mayor's plan I think does a very good job of trying
9 to balance those concerns; another tool is to build
10 new affordable housing; we have ambitious affordable
11 housing plans by both the Mayor and Governor Cuomo,
12 those will help, but we don't have enough public
13 resources to build all the affordable housing we
14 need. The Mayor's proposals that we're considering
15 here require developers who benefit from new
16 increases to include affordable housing in their
17 developments in return; that's a good smart way to
18 increase the supply in more highly integrated
19 neighborhoods without additional public spending.
20 When we talk about what can be done, how much
21 affordability, how deep can we go, how many
22 affordable units can we have; how high are the wages
23 that we can pay workers, these all have costs and HPD

1
2 has done I think a very good job of trying to balance
3 the interests of costs versus development.

4 In an optional inclusionary housing
5 program developers can choose not to go with the
6 program; in a mandatory they will choose either to go
7 with the mandatory program and produce affordable
8 housing units or not to build at all and we've gotta
9 be careful not to have the result not to build at
10 all, so we have to achieve a balance; how much
11 affordability can we get. I think that the Mayor's
12 proposals probably could be improved, advocates and
13 elected officials have made worthwhile suggestions,
14 like additional and deeper affordability, anti-
15 harassment tenant protections, fewer exemptions for
16 small buildings, equal access to amenities and
17 greater integration of the affordable apartments
18 inside these buildings; you should consider these
19 suggestions, but you need to balance whether or not
20 we are going to create so many requirements that it
21 will slow down development, which we cannot afford;
22 we are gonna add hundreds of thousands of people to
23 this city and we need to have buildings that house
24 people that are coming to those.

2 I'm from Park Slope, Brooklyn [bell] we
3 had the 4th Avenue Rezoning that has created...
4 [crosstalk]

5 CHAIR GREENFIELD: Ted, I'm gonna ask you
6 to wrap up, please.

7 TED HOUGHTON: a bunch of new buildings...

8 CHAIR GREENFIELD: Thank you.

9 TED HOUGHTON: but no affordable units;
10 let's not repeat that mistake.

11 CHAIR GREENFIELD: Thanks, Ted.

12 [background comments]

13 SYDELLE KNEPPER: My name is Sydelle
14 Knepper; I'm the Founder and CEO of SKA Marin, an
15 affordable housing developer and co-chair of the New
16 York Housing Conference. I'm testifying in support
17 of Mandatory Inclusionary Housing on behalf of the
18 New York Housing Conference.

19 I'd like to thank the City Council for
20 their past leadership in affordable housing
21 legislation and program and for the opportunity to
22 testify today.

23 Since 1973 the New York Housing
24 Conference, a non-profit affordable housing policy
25 and advocacy organization, has advanced its mission

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 330
2 to support the development and preservation of decent
3 and affordable housing for all New Yorkers. As this
4 committee knows, New York City's successes in
5 maintaining a thriving economy, cultural capital
6 status and low crime have resulted in significant
7 population growth, exacerbating critical housing
8 needs; perhaps the most pressing needs we have seen
9 in a generation.

10 On any given night more than 60,000 New
11 Yorkers are homeless; while homelessness represents
12 the extreme end of the spectrum of unmet housing
13 needs, the overarching problem is pervasive. More
14 than half of all households in New York devote more
15 than 30% of their income for rent and more than 1.5
16 million families are severely rent-burdened, paying
17 more than 50% of their monthly income on housing.

18 Affordability is by no means the only
19 urgent housing problem; too many of our residents
20 continue to live in communities characterized by a
21 concentration of poverty and a lack of adequate
22 services. Mandatory Inclusionary Housing is part of
23 the solution to addressing these problems; MIH will
24 leverage the private market to ensure that affordable
25 housing will be created in any future's rezoning that

1 the City, a community or a private developer proposes
2 in a medium- or high-density area. These new units
3 will be affordable to low- and moderate-income New
4 Yorkers; in low-income neighborhoods MIH units will
5 add income diversity; in high-income neighborhoods
6 MIH will create housing opportunities otherwise
7 unaffordable to low- and moderate-income New Yorkers
8 and will further fair housing goals.

10 Other features of MIH that are key and
11 that we support include that MIH provides affordable
12 options to match local housing needs; having three
13 program options will allow MIH to work even as
14 neighborhoods may change. The incomes served by the
15 affordable housing must average to the specified AMI,
16 with some lower and some higher. This flexibility
17 allows projects to be tailored to better meet
18 community needs.

19 The affordable housing will be required
20 to remain permanently affordable; this is an enormous
21 and lasting benefit to allow families and seniors to
22 remain in their neighborhoods without worry.

23 While NYHC respects the calls for deeper
24 affordability from many community organizations and
25 elected officials, we recognize that there is an

1 economic challenge to achieve [bell] deeper
2 affordability with MIH. We also acknowledge the
3 wider array of housing programs already offered by
4 the City which will generate housing for extremely
5 low-income households through capital subsidy and
6 rental assistance programs.
7

8 CHAIR GREENFIELD: Sydelle, gotta ask you
9 to wrap up.

10 SYDELLE KNEPPER: Okay, yes; one more
11 sentence and then the rest of the testimony, which...
12 [crosstalk]

13 CHAIR GREENFIELD: Got it.

14 SYDELLE KNEPPER: since I can't be here
15 tomorrow you have. Lastly, I would like to mention
16 that NYHC supports the reauthorization of a tax
17 abatement program like 421-a to compliment MIH and
18 make the program work even better.

19 CHAIR GREENFIELD: Thank you. Before you
20 continue, just wanna feel out the panel; is Mary
21 Rosario here? Not... [background comments] She stepped
22 out. We'll get her on the next panel then. Is
23 Rachel Meltzer here? If you can step us well and
24 Nachman Caller please, just to fill out this panel.
25 Thank you. Continue, sir.

2 DAN COHEN: Hi, thank you. My name is
3 Dan Cohen; I'm with the Housing Partnership. I wanna
4 comment the two Council Members who've stayed for
5 this duration for all of this testimony, as to many
6 people in the audience have also hung out; thank you
7 for sticking it out. And Councilman Lander, I'm so
8 glad you're here, 'cause I'm gonna quote you in just
9 a second.

10 Housing Partnership serves as New York
11 City's primary intermediary for the development of
12 affordable housing; we assist in the development,
13 retention and revitalization of affordable
14 homeownership and rental housing and our goal is to
15 produce 5,000 units of affordable housing each year
16 through a variety of new construction, rehabilitation
17 and other housing programs. In our more than 30-year
18 history, the Housing Partnership has assisted in the
19 development and creation and preservation of more
20 than 15,000 affordable homeownership and rental units
21 throughout the five boroughs and leveraged over \$6
22 billion in private sector financing.

23 As Council Member Brad Lander said it
24 best this morning when he posted a notice that we
25 cannot afford to miss another opportunity to

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 334
2 guarantee affordable housing in New York City; we
3 must not miss this chance to adopt a Mandatory
4 Inclusionary Housing policy. There are many
5 criticisms of this program, some of them are valid
6 and I know that the City Council is hearing them
7 today, both inside and outside this chamber. But the
8 important point is that if the MIH program is passed,
9 it will be the most robust mandatory affordable
10 housing program in the nation, and as New York has
11 led the way on many other initiatives, so is doing so
12 now. Paris, for example, which made smoking cool,
13 doesn't allow smoking inside bars any more; they
14 didn't get that originally; they got it from us.

15 For the first time ever the City will
16 require developers to provide affordable housing,
17 which shifts some of the burden off the public
18 sector. It is the most ambitious inclusionary
19 housing policy in the country; no other city has a
20 program that requires more affordable units or
21 reaches lower incomes than what has been proposed.

22 This program is not perfect, few things
23 in life are, but it does provide a template that will
24 unlock more affordable housing development the city
25 has seen in a generation. The Housing Partnership

1 has worked with HPD over many years and MIH will be a
2 powerful tool to help the City reach the ambitious
3 goals of the Mayor's Housing Plan. Passing this
4 initiative will change the conversation to ensure
5 that affordable housing is always part of the process
6 when a project is seeking a rezoning or other special
7 considerations; by making it mandatory it establishes
8 a foundation for the private sector creation of
9 affordable housing as a part of the City's fabric
10 rather than an option expediently forgotten when it
11 is inconvenient.
12

13 **[inaudible]** reported today that in
14 response to the criticism level to the program that
15 the plan will produce apartments too expensive for
16 the poor; the administration is considering a
17 potential compromise, some of which we heard earlier
18 today, to guarantee more low-income units by setting
19 aside units for households even poorer than those
20 making 60% of AMI, balanced by increasing the number
21 of units for households above that figure. I urge
22 the City Council to seize the moment and work with
23 the administration to pass a plan that ensures more
24 affordable housing that will address this concern
25 raised by critics of the plan. But let's put this in

1 perspective, no other city has a program that
2 requires more affordable units reaches or lower
3 incomes than what is being proposed today. You may
4 have heard that claims that the Mandatory
5 Inclusionary Housing program will unintentionally
6 gentrify neighborhoods, but we think that it will
7 help gentrification because there'll be a tool for
8 residents to fight against [bell] gentrification by
9 proposing more affordable housing when there
10 currently is none.

12 In closing, let's not let the perfect be
13 the enemy of good enough. For the 60,000 homeless
14 people in the city, 25,000 of them children, we need
15 to start requiring developers to construct more
16 affordable housing immediately. A good plan that
17 works is better than a perfect plan that does not
18 exist and this is a good plan. Thank you.

19 CHAIR GREENFIELD: Thank you.

20 NACHMAN CALLER: Good afternoon, I wanna
21 thank the Chair and the Council people that stuck
22 around to listen. I believe I'll come up with
23 another idea which, you know, maybe [inaudible] or
24 something.

1
2 My name is Nachman Caller; I'm a long-
3 time resident of the Borough Park community where
4 I've maintained a law practice for the last 30 years;
5 I've advocated for housing in our community for many,
6 many years. Our community is in dire need of
7 affordable housing and has been denied its fair
8 share. During the Bloomberg administration, when the
9 City built 160,000 units, only 252 units were built
10 in our community. In 2014 I actually ran for the New
11 York State Assembly the cornerstone of the driving
12 force of my campaign was to bring more housing to our
13 community. The main barrier hindering access to
14 affordable housing within our community is the policy
15 model set for the by the City to create affordable
16 housing; there's a problem with the entire
17 **[inaudible]**. This model cannot work in Borough Park,
18 Williamsburg and many other areas in the city. The
19 fundamental principals of the policy are clearly
20 stated in the **[inaudible]** prepared by the NYU Furman
21 Center dated March 26, 2015; the policy heavily
22 relies on the cross-subsidizing affordable housing,
23 meaning that developers will use profits from the
24 rentals, the market rate apartments, in a building to
25 support the required percentage of affordable units.

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 338
2 However, this model relies on an assumed market rate
3 rent of at least \$3200 for a one-bedroom apartment in
4 order to subsidize affordable units at 60% of AMI in
5 the same building. Our community is incapable of
6 generating these kinds of market rates [sic].

7 Consequently, Borough Park can never qualify for
8 affordable housing based on this model. It is no
9 secret that our community is in dire need of housing;
10 if you visit our neighborhood you will find families
11 with six or seven children living in a two-bedroom
12 apartment on the 6th floor of an apartment building;
13 a walk-through at [sic] these buildings will reveal
14 multitudes of those children spilling into the
15 hallways which are filled with baby carriages and
16 highchairs; mothers, while juggling their
17 overwhelming schedules must run down every morning to
18 take the children to the bus stop. I've also heard
19 of grandparents forced to share their beds with the
20 grandchildren because there aren't enough beds.

21 Thankfully, the City Planning Mandatory Inclusionary
22 Housing amendment contains certain provisions which
23 offer a ray of hope for our community and for many
24 other communities that cannot support the market
25 rates which are needed to support affordable housing.

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 339
2 These mandatory housing provisions do not require
3 that the market rate housing units and the affordable
4 units be in the same building; this will allow
5 developers to more properly shift the additional cost
6 of affordable housing requirement; however, these
7 provisions still require the affordable units to be
8 in the same community district or in an adjacent
9 community district within half-a-mile of each other.
10 There has been much discussion about this provision,
11 [bell] its benefit pitfalls -- let me just get my two
12 proposals; we're running out of time.

13 I have formulated [sic] two proposals.

14 One, the Council should require that 15%... we'll take
15 30% affordable, we'll divide it into two parts; 15%
16 will be on-site, which means that it will integrate
17 the people of the community; the other 15% should be
18 off-site, but the off-site should not be half-a-mile
19 away; the off-site should be put into the entire
20 city, go into every area in the city which needs the
21 affordable; you take the 15% and you give them the
22 affordable; this way the HPD will establish the
23 criteria and the entire city will benefit from, you
24 know, from the real estate market... [interpose]

2 CHAIR GREENFIELD: Thank you. [bell] We
3 have the rest of your testimony and we're gonna put
4 it on record. Thank you.. [crosstalk]

5 NACHMAN CALLER: Okay, thank you.

6 CHAIR GREENFIELD: You can just swap
7 seats please with your neighbor so that she can speak
8 in the microphone. Thank you very much.

9 RACHEL MELTZER: Good afternoon, Council
10 Members. Thank you for the opportunity to testify
11 today. My name is Rachel Meltzer and I'm a Professor
12 of Urban Policy at The New School here in New York
13 and I've conducted research on inclusionary housing
14 programs in cities across the U.S.; it is off this
15 research and experience that I base my comments
16 today.

17 Today I'm gonna focus on one particular
18 aspect of IH; its flexibility. If done well, it
19 should adjust to market conditions across space and
20 over time and I think the current proposal achieves
21 this in many ways. The flexible design acknowledges
22 that each site and development project is unique, but
23 at the same time it provides guidelines on how to
24 systematically ensure affordable housing production
25 that is sensitive to the community's needs. This is

1 particularly important for a city as diverse and
2 dynamic as New York.

3
4 My own research provides empirical
5 evidence to support this claim. IH programs are more
6 effective when they allow for variations based on
7 neighborhood conditions and/or site characteristics,
8 like small building exemptions or in lieu options,
9 when there are buyout options and off-site
10 development options.

11 For example, Boston, which de facto
12 operates like a mandatory program, provides few
13 standard cost offsets and very high in lieu payment
14 schedules. San Francisco has had an IH program for
15 about the same time as Boston, but instead
16 incorporates a wide range of cost offsets, including
17 density bonuses. Not surprisingly, San Francisco has
18 produced almost twice the number of annualized
19 affording housing units than Boston.

20 IH programs can be tailored to both local
21 market conditions and policy goals. For example, if
22 in one neighborhood the goal is to provide affordable
23 housing to poorer households, the affordability
24 income thresholds can be set lower; if in another
25 neighborhood within the same municipality the goal is

1 SUBCOMMITTEE ON ZONING AND FRANCHISES 342
2 to maximize the number of units without as much
3 regard to the depth of affordability, then the
4 affordability income thresholds can be set higher,
5 with larger set-aside shares as well.

6 There is an obvious trade-off between
7 affordability depth or breadth and financial
8 feasibility. More extensive affordability means,
9 holding all else constant, lower project income at
10 either less profit for the developer or higher market
11 rate prices to cross-subsidize the affordable units.
12 In this case, New York City's tight housing market
13 can actually be central to the success of its IH
14 program. Indeed the affordable units are being
15 subsidized by the market rate ones and the more one
16 can charge for the market rate ones, the more room
17 there is to subsidize the below market ones. No
18 other municipality that I have studied requires the
19 same breadth and depth of affordability as that
20 proposed here; however, this calibration of imposing
21 affordability requirements while still leaving the
22 project financially feasible is a difficult one;
23 there must be a balance between imposing strong
24 enough requirements that stand a chance of producing
25 meaningful amounts of affordable housing while still

1 allowing the project to pencil out. The reality is
2 is that in this day and age the affordable housing
3 cannot get built without the developer's buy-in.

4
5 In closing, I have the utmost faith in IH
6 programs; I think they are a [bell] very important
7 compliment to other affordable housing subsidies and
8 efforts and I think New York City is very well
9 situated to implement and benefit from such a policy;
10 the market is strong enough to financially support it
11 and the housing and land use agencies sophisticated
12 enough to handle the complexities; a lot of places
13 overlook this. It is crucial that the regulation
14 incorporates flexible applications and opportunities
15 for deal-specific and cycle-specific adjustments and
16 finds an effective balance between meaningful
17 affordable housing production and financial
18 feasibility.

19 CHAIR GREENFIELD: Thank you very much.
20 Councilman Menchaca.

21 COUNCIL MEMBER MENCHACA: Thank you,
22 Chair. I just wanna ask Mr. Dan Cohen; there's a lot
23 of enthusiasm for your support of this bill, so I
24 wanna ask a little bit -- I know you've been here
25 listening to the panels; there's some strong cases

1 about FAAB as a concept for legally including
2 conversations around job training safety; how do you
3 feel about that as an addition to making this even
4 better? Do you have any comments about what you've
5 just heard today?

7 DAN COHEN: I mean I can't offer a
8 professional opinion; it's not my area of expertise,
9 but certainly anything that provides for additional
10 safeguards is a good idea, although I have heard
11 there are questions of legality; only from what I've
12 heard; I can't comment further on that.

13 COUNCIL MEMBER MENCHACA: Right. But we
14 already know that the administration's gonna put -- I
15 forgot what quote Deputy Mayor said, fight tooth and
16 nail to make this happen, so if we add this they're
17 gonna, I assume, fight tooth and nail to make this
18 happen. Is there anybody else that spoke in favor of
19 this; can comment a little bit about what you've
20 heard at this chambers regarding the kind of FAAB
21 project or the FAAB initiative? Anybody else wanna
22 chime in on that?

23 TED HOUGHTON: I'm not familiar with the
24 specifics of the FAAB thing; today is the first I've
25 heard about this alternative; I think that we all

1
2 wanna see more affordable housing; deeper
3 affordability makes an awful lot of sense,
4 considering the incomes of New Yorkers and everybody
5 wants too jobs; I think these things all have costs
6 and part of the calculation is how do you pencil out
7 those costs, as the professor said.

8 In Manhattan, below 96th Street, you can
9 cross-subsidize more deeply affordable and more
10 affordable units with the market rate units, because
11 you have very high rents; right?

12 COUNCIL MEMBER MENCHACA: Yeah, right.

13 TED HOUGHTON: But in other areas, asking
14 for too much may stifle development in the outer
15 boroughs and so you want to hit that middle, you know
16 that perfect center so that you're not stifling
17 development, but you're getting as much affordability
18 and as many good jobs as you can. And so that's the
19 calculation HPD spent a lot of time on; I think -- my
20 guess is that you might be able to get a little more
21 affordability or a little bit higher wages...

22 [crosstalk]

23 COUNCIL MEMBER MENCHACA: That's my guess
24 too.

2 TED HOUGHTON: but it's gonna be -- we're
3 not that far away from where you may see a market
4 downturn cause almost all development of rental
5 housing to stop except for the strictly affordable.
6 There are other ways with subsidy to get deeper
7 affordability that we do -- most of the Mayor's
8 200,000-unit plan uses more subsidies to get to
9 deeper affordability and this plan has -- like the
10 professor says, it has a lot of flexibility that
11 allows for that subsidy... [crosstalk]

12 COUNCIL MEMBER MENCHACA: Right. Right.

13 TED HOUGHTON: so... [crosstalk]

14 COUNCIL MEMBER MENCHACA: So I just
15 encourage you... I know that some of the organizers are
16 still here [bell] -- Maritza, for example -- do you
17 wanna connect with them and just get to learn a
18 little bit more about this option; this is a grass...
19 [crosstalk]

20 TED HOUGHTON: Yeah... No, I'm very
21 interested...

22 COUNCIL MEMBER MENCHACA: a community-led
23 concept and it would be great for you all to chime;
24 we've got 50 days...

25 TED HOUGHTON: Yeah.

2 COUNCIL MEMBER MENCHACA: encourage you
3 to continue to engage us. Thank you.

4 CHAIR GREENFIELD: Thank you. Council
5 Member Lander, please.

6 COUNCIL MEMBER LANDER: Thank you,
7 Mr. Chair and thanks to the panel, which includes
8 some old friends.

9 Ms. Meltzer, I just wanna underline one
10 thing that's in, at least the statement that we have
11 from Alex Schwartz, which I don't know if that's the
12 same research you're referring to or some different
13 research, but one thing that hasn't come out that I
14 just wanna make sure we underline about one way in
15 which this policy, which I am very supportive of,
16 differs from many of the other policies around the
17 country, is that many of those policies aren't
18 focused only on mapped zones where density is being
19 increased, but essentially blanket the entire city
20 with a requirement; now those requirements
21 necessarily have to be substantially lower in percent
22 or depth, but I just wanna make sure I have -- you
23 know, because there's still more for New York City to
24 do after we adopt this version -- San Francisco and a
25 number of these other cities essentially have a

1 policy that anywhere in the city buildings over X
2 size must include some relatively modest percent of
3 affordability. Is that correct?

4
5 RACHEL MELTZER: I don't know if that's
6 uniformly true; I mean my understanding is, even
7 within some of those ordinances there are kind of
8 written into the text, you know, whether it's
9 exceptions or kind of different versions of these
10 requirements for a particular neighborhood that I
11 think the City has recognized as maybe areas that are
12 more vulnerable to rapid or excessive growth or areas
13 where they really wanted to targeted, you know, some
14 of their resources or energies. All of these cities
15 have ranges, right, in terms of their depth or
16 breadth of affordability, depending on how you can
17 satisfy different requirements and I do often turn to
18 San Francisco as I think a useful example; I think
19 they have, as I described, a flexible program, but
20 also in terms of how they've administered it, I think
21 they've learned as they've kind of gone through it
22 and they've dealt with their stakeholders and
23 responded well, I think. So you know, I think the
24 administration of this program is a whole other
25 thing, you know that can be challenging, but. So no,

1 I wouldn't say that all these other cities don't have
2 kind of variation underneath that umbrella; I think
3 the way the City has gone forward so far in thinking
4 about that different neighborhoods might have
5 different needs and different application again might
6 be above and beyond what other places have done, but
7 I wouldn't say that other places don't recognize that
8 all, because again, that's one of the really, the
9 assets of inclusionary housing is that you can tweak
10 it kind of underneath the broader municipal umbrella
11 of it.
12

13 COUNCIL MEMBER LANDER: Thank you. Thank
14 you, Mr. Chair.

15 CHAIR GREENFIELD: Thank you. Thank you,
16 panel; we appreciate your testimony today; we're
17 gonna call up the next panel and I'm gonna turn over
18 the reigns back to our Zoning and Franchise Chair,
19 Donovan Richards. Adrien Weibgen from the Urban
20 Justice Center; Barika Williams from ANHD; Cathy Dang
21 from CAAAV; Luisa Gomez from Laborers' Local 78;
22 Steve Chesler from Friends of Bushwick Inlet Park,
23 and Irving Poo [sic] for the Queens Borough President
24 Melinda Katz.
25

2 CHAIRPERSON RICHARDS: Thank our esteemed
3 Land Use Chair for standing in for me; great partner.
4 He warmed the seat for me even more.

5 [pause]

6 ADRIEN WEIBGEN: Just wanted to wait for
7 a sec [sic]. Good afternoon. My name is Adrien
8 Weibgen; I'm an attorney with the Urban Justice
9 Center Community Development Project.

10 CDP supports the concept of a Mandatory
11 Inclusionary Housing policy and it's one that we have
12 advocated for for a long time. When developers are
13 getting at a density they should be required to make
14 permanently affordable housing and we agree that that
15 would be a game-changer in this city.

16 That being said, we have three major
17 concerns about the policy. The first; the City's
18 plan to adopt MIH while upzoning only low-income
19 communities of color creates an enormous risk of
20 displacement; though the City may view these issues
21 as separate, they are deeply intertwined and the City
22 must adopt new strategies to combat the displacement
23 that new development is likely to trigger.

24 Second, for MIH to create more
25 opportunities for low-income people, the City must

1
2 commit to upzoning not only low-income communities of
3 color, but also wealthy, high-opportunity
4 neighborhoods. To achieve the economic diversity
5 that the City claims is at the heart of MIH, the City
6 must rezone the rick as well.

7 Third, the City should create additional
8 MIH options that will guarantee a significant share
9 of new affordable housing that is accessible to New
10 Yorkers with incomes below 30% of AMI; this should
11 not just be an option that may be available through
12 an average; it should be something that is required
13 in the plan and the income levels of the current MIH
14 options all skew far too high.

15 First I'm gonna address the issue of
16 displacement. MIH can produce affordable housing
17 only if developers build and produce significant
18 amounts of affordable housing with MIH the City plans
19 to upzone up to 15 neighborhoods, but dramatically
20 upzoning low-income communities of color creates a
21 huge risk of displacement in those communities
22 because allowing far more building and bringing new
23 resources to communities is likely to make these
24 areas more attractive to wealthier residents,
25 changing the housing market in a way that places low-

1 income tenants at risk. Residents of areas like East
2 New York and the South Bronx do not fear change; they
3 fear they will not be around to benefit from the
4 changes that are coming. As rents in the community
5 rise, landlords of rent-regulated buildings will have
6 a huge incentive to harass and displace long-time
7 low-income tenants in an effort to move these units
8 out of stabilization; tenants of unregulated units
9 can disappear even more quickly. MIH is only part of
10 this puzzle, but the City should not act as though
11 MIH and upzonings exist in a vacuum when MIH
12 fundamentally depends on creating added density,
13 which will in turn add fuel to the fire of
14 gentrification and increase the risk of displacement.
15 For that reason we support the idea of creating a
16 citywide requirement for a Certification of No
17 Harassment, which is described more fully in my
18 testimony.

19
20 Second, the City must commit to rezoning
21 wealthy communities as part of its overall rollout of
22 MIH. The City's MIH policy study provides
23 significant evidence of the benefits of programs that
24 allow low-income people to access high-opportunity
25 areas but the City's current plans don't do this at

1 all; instead focusing only on low-income communities
2 of color where the opportunities are currently
3 fewest. We encourage the City to follow through in
4 its own findings and commit to rezoning wealthier
5 neighborhoods as well, which will do more to advance
6 economic diversity in those [bell] neighborhoods too
7 than the City's current vision.
8

9 BARIKA WILLIAMS: Hello, good afternoon.
10 My name is Barika Williams; I'm the Deputy Director
11 of the Association for Neighborhood and Housing
12 Development (ANHD), we're the trade association; we
13 have about 100 members across all five boroughs who
14 have been many of the groups that actually created
15 most of our affordable housing toolkit, the non-
16 profit local housing groups throughout the city.

17 So I wanna say first and foremost that
18 ANHD and many of our groups have been leading the
19 call for MIH since 2004 in the 4th Avenue rezoning;
20 it is a tool that we believe in, but not all tools --
21 the tool has to be crafted in a way that actually
22 addresses what folks were looking for.

23 So currently, absent substantial changes
24 that would guarantee truly affordable housing that
25 neighborhoods and the City overall need at deeper

1
2 affordability levels, ANHD cannot support the
3 administration's Mandatory Inclusionary Housing
4 policy.

5 I wanna be specific and address some of
6 the things that have come up previously in the day.
7 I wanna say that I think the call for deeper
8 affordability, both from the Council and from many of
9 the housing groups that you've heard, is not in
10 exclusion of other incomes or in other residents
11 being addressed, but it really feels like the way
12 that the plan is crafted and being addressed in the
13 policy as set up right now that it is at the
14 exclusion and not the inclusion of deeper
15 affordability and low-income residents across the
16 city. The City's Financial Feasibility Study didn't
17 even study any AMI levels below 60% AMI; that
18 basically means that the City's study set up leaving
19 out 50% of the population from the beginning; this is
20 deeply concerning and an AMI with options that don't
21 address low-income residents is no option at all.

22 I think one of the things that has been
23 brought up is that many of these deep affordability
24 options can be addressed and achieved through subsidy
25 instead of through MIH and this is a difference that

1 does matter. Subsidy units are not guaranteed, they
2 are not permanently affordable; there is question as
3 to whether or not that subsidy will be available in
4 future years as rezonings continue and so
5 guaranteeing and getting permanently affordable deep
6 AMI units as a part of MIH is core to its structure
7 and its long-time validity.
8

9 I think the other thing that I would
10 raise is one of the questions of a goal of
11 integration and so many of the things that have been
12 raised here about the equal treatment of tenants,
13 including fair common areas, finishes and making sure
14 that buildings are not side by side is
15 differentiating between market rate and affordable
16 tenants.

17 I just wanna quickly address the changes
18 that ANHD and many of the community groups we work
19 with are calling for and that is to add a deeper
20 affordability option at 30% affordable housing at 30%
21 AMI to require that all MIH options, regardless of
22 their average income level set aside a band of units
23 at 50% at 30% AMI level [bell] to eliminate the
24 current 30 at 120 option and to require that off-site
25

2 MIH developments set aside an additional 10% of
3 affordable housing above the on-site requirement.

4 CATHY DANG: Good afternoon. My name is
5 Cathy Dang; I'm the Director of CAAAV Organizing
6 Asian Communities. I'm actually gonna share my own
7 story of impact of rezoning on my family.

8 We were actually one of the first
9 families to open a nail salon in Downtown Brooklyn in
10 1986 and after rezoning of Downtown Brooklyn -- our
11 nail salon is Long Nails; if people remember New
12 York, Long Nails has been around for a long time.
13 But after the rezoning we actually started losing
14 business and we had to shut down and we left and we
15 moved as far as Los Angeles, and the Public Advocate
16 was saying that people are moving to South Carolina;
17 we moved as far as Los Angeles.

18 My family lives in Vietnam; I can't
19 afford to keep them and support them here because of
20 housing; we don't have the income to support them
21 here.

22 But CAAAV, you know we organize low-
23 income Asian immigrants for systemic and
24 institutional change towards racial, gender and
25 economic justice. We organize rent-stabilized

1 tenants in Chinatown and we organize Asian immigrant
2 tenants in Queensbridge public housing, and on behalf
3 of our deeply concerned members, both in Chinatown
4 and in Queensbridge, we wanna voice opposition to MIH
5 as it is right now and that has been approved by the
6 City Planning Commission.
7

8 MIH is not the remedy for affordable
9 housing crisis in New York City and the truth is that
10 the numbers used to determine affordability under the
11 MIH plan would not help the individuals and families
12 that really need it. Amongst our 300 members in
13 Chinatown and a 3,000 supporter base, 100% of our
14 membership has an annual household income of less
15 than \$35,000. Under the MIH proposal,
16 affordabilities apply to families of four making 60%
17 of AMI, which is roughly around \$52,000 [sic].

18 Amongst our membership in Queensbridge and the 500
19 residents in our base, 70% of our members make less
20 than \$25,000 a year and 100% of our senior citizen
21 membership make less than \$10,000 a year. And what
22 this ultimately [sic] means for these families and
23 low-income immigrants from our communities of color
24 is they're gonna face serious potential push-out and
25 [sic] and nearly every community board in New York

1 City has voted no on the MIH proposal, yet the City
2 Planning Commission has attempted to move it on to
3 the City Council. And with the current proposed
4 income requirement structure, I implore the City
5 Council to think about the implications of this
6 proposal on our city, 50, 60, 80 years from now this
7 has long-term impact on our city and the MIH proposal
8 will forever change the fabric of New York City and
9 essentially make all of New York City for the middle
10 class and wealthy and make it nearly impossible for
11 the low-income and no income to survive in New York
12 City. We have experienced the last two decades a
13 significant loss of working-class people; MIH as it
14 is right now is asking our communities to further
15 give up even more. We have been seeing gentrifying
16 neighborhoods where retail stores and shops have been
17 changed to cater to newer, wealthier individuals and
18 if this happens, we further are afraid of what this
19 means for the lower bracket people in MIH.

21 I'm actually gonna skip and I actually
22 wanna emphasize the need now more than expending our
23 energy on MIH is to spend our energy on looking at
24 anti-displacement protections for our communities.
25 And the last thing that I'll end with is [bell] you

1 know, we have lost 15,000 affordable housing units in
2 Chinatown in the last 10 years and the way that the
3 City is moving forward and looking at development and
4 just building, we will just only net gain zero
5 because we're just building, but we're not protecting
6 what we have right now.

7 [background comments]

8 IRVING POY: Okay. Queens Borough
9 President Melinda Katz was scheduled to be here, but
10 due to the length of time and other meetings she's
11 not here. My name is Irving Poy; I am Director of
12 Planning; I'm here to present her testimony.

13 Good afternoon, Chairperson Richards and
14 committee members, thank you for this opportunity to
15 speak on these important proposals intended to spur
16 development of much-needed affordable housing. The
17 Borough President also thanks the Mayor and the
18 Departments of City Planning, Housing Preservation
19 and Development, who have worked diligently to
20 present and explain the MIH and ZQA proposals to the
21 civic organizations, community boards; their effort
22 has made it possible for us all to be here today to
23 consider these amendments to the zoning resolution.
24
25

2 It is apparent that there is universal
3 agreement on the shortage of affordable housing that
4 a pressing need exists to provide such housing for
5 all residents, especially our seniors, young and
6 working families, civil servants, and those embarking
7 on new careers; without such housing we're in danger
8 of pricing out many of these residents who work so
9 hard and are so vital to the vibrancy and creativity
10 that defines New York City. Based upon the feedback
11 and comments we received at Borough Hall, the
12 response of a majority of the Queens Community Boards
13 and the Queens Borough Board discussion invoke [sic]
14 there are concerns that the proposed vote [sic]
15 changes would affect the build character and quality
16 of life in many of our neighborhoods; many decades of
17 time invested to preserve these neighborhoods for
18 current and future residents to enjoy.

19 Most recently the City Planning
20 Commission has passed both these proposals by a split
21 vote with an expressed hope that the City Council
22 would be able to address the issues that have been
23 outlined in the public review process. The proposal
24 as approved by the City Planning Commission includes
25

1 some revisions that do not substantially address the
2 major issues.

3
4 The MIH and ZQA proposals should be
5 amended to address the following issues. Over 40
6 Queens neighborhoods were contextually rezoned in the
7 last decade, each of those neighborhoods was
8 extensively engaged to determine the best zoning to
9 map on an almost block by block basis, which were
10 proper districts to use. Some the ZQA proposals undo
11 that work, for instance, allowing taller, bulkier
12 buildings in our lower-density neighborhoods would
13 negatively impact those areas. **[inaudible]** of some
14 of the controls are meant to give up block front
15 **[inaudible]** may disrupt the pattern of buildings that
16 currently exist.

17 These are the types of features looked at
18 by people and families when considering communities
19 to make their homes. Many of those rezonings
20 occurred while the Borough President was a member of
21 the City Council and chaired the Land Use Committee;
22 in other major rezonings they were able to negotiate
23 and generate affordable housing in Williamsburg,
24 Hudson Yards and Willets Point. The Borough
25

1 President is confident the process works and will
2 continue to work in the future.

3
4 An index of existing neighborhood incomes
5 and housing costs should be used when determining the
6 AMI band to be included for the affordable housing
7 portion of any new development or enlargement. This
8 is needed to assure that the existing area long-term
9 residents are not inadvertently displaced. There
10 should be an option where incentives are provided to
11 guarantee more affordable housing is built within the
12 neighborhood context and with the existing AMIs of
13 the area. Currently review of each neighborhood
14 rezoning **[inaudible]** [bell] community participation
15 through the process and generally results in
16 development that is tailored and more suited to each
17 community. A mechanism must be found to show that
18 term financing programs for affordable independent
19 senior housing not built as Mandatory Inclusionary
20 Housing remains affordable permanently over the term
21 once the financing has expired, this will protect
22 seniors as a group from unexpected higher housing
23 costs. **[inaudible]** should not be eliminate -- I'll
24 shorten this a little bit. Basically in our
25 conversations with City Planning they said that there

1 was some indication of parking needs even for
2 affordable and senior housing; very simply, you know
3 why not put in those levels of requirements or
4 whatever in the evidence they are for required
5 parking [sic].

7 CHAIRPERSON RICHARDS: Start to wrap up.

8 IRVING POY: Okay, I'm wrapping up.
9 There's a need for assurances that any affordable
10 housing strategy that the most skilled and
11 professional workers are employed to build the
12 housing; this is necessary to assure that the housing
13 is built safely, with attention to quality and
14 durability; with this provision, housing would be
15 built to the highest standards and most efficiently.
16 Basically the rest of this is that the Queens Borough
17 Board and Community Boards have all spoken; she is
18 presenting her testimony in keeping with that
19 sentiment, so there is time to reconsider this
20 proposal **[inaudible]** and her concerns have been
21 raised. The Borough President looks forward to
22 working further with the City Council and the Mayor
23 finding solutions that will enable generation of
24 sufficient numbers of affordable housing to sustain a
25

1 growing city while maintaining a high-quality of life
2 in our neighborhoods. Thank you.

3
4 CHAIRPERSON RICHARDS: Thank you so much
5 and tell the Queen of Queens hello.

6 Just wanna thank the organizations up
7 here, our Urban Justice Center, ANHD, CAAAV for the
8 work that you've certainly been doing around this for
9 years. Just wanted to ask a few questions, and I
10 just wanted to second what you said; I think this is
11 something that -- we've certainly adopted the same
12 sort of philosophy that economic diversity must work
13 both ways and we know that there are communities in a
14 better place than many of our communities, there's
15 more infrastructure, more school infrastructure,
16 better quality of life in other communities that we
17 want to ensure that low-income and low low-income
18 members of our community also can have access to, so
19 economic diversity must work both ways.

20 Just wanted you to go into option three,
21 so I know ANHD and for you, you said the elimination
22 of option three and also for ANHD you went into five
23 options; can you sort of just lay out your vision
24 there a little bit more as well? So I'll allow both
25 of you... [interpose]

2 ADRIEN WEIBGEN: Sure. So to be clear by
3 option three; do you mean what we're calling the
4 gentrification option of 120% AMI? So we just don't
5 think it's appropriate for a plan that ostensibly is
6 supposed to advance affordable housing to include
7 this option, like it's not -- it doesn't make any
8 sense, when the City has the affordable housing
9 crisis that it has and so many of the lowest income
10 New Yorkers are completely left out of not only this
11 plan, but every existing plan that the City has, to
12 have one of the three options be a 120% AMI option
13 and we are among the ANHD members that supports
14 instead the creation of a 30 at 30 option that would
15 better meet the needs of low-income residents. The
16 City has essentially suggested that it doesn't want
17 to do an option like this because it wouldn't be
18 financially feasible in every neighborhood without
19 additional subsidy, but this is a completely like
20 disingenuous argument for a number of reasons. First
21 of all, not all of the options that the City has
22 already proposed are feasible in every neighborhood,
23 so the City is comfortable to a point with including
24 some options that don't work everywhere. Second, the
25 communities that the City is already planning to

1 rezone, it is going to those communities and saying
2 every single thing that is built in the next unknown
3 number of years will be subsidized by the City, so
4 it's a little strange for the City to then complain
5 that it doesn't wanna do a 30 at 30 option when it is
6 selling the rezoning to communities by telling them
7 we are going to subsidize everything, so which one is
8 it; do they have the money to do the subsidies or
9 don't they? And again, in the highest income
10 options, although the City's Feasibility Study, as
11 Barika pointed out, does not even look at people at
12 below 60% AMI, which I think is kind of criminal in
13 this conversation to not even do a study that looks
14 at the area of greatest need. ANHD's study shows
15 that it is possible to have a 30 at 30 option that is
16 feasible in at least some areas and the City should
17 certainly look into that, and if they don't think it
18 is feasible, disclose the research that they're
19 basing that on instead of alluding to these problems
20 without giving a real explanation.

22 CHAIRPERSON RICHARDS: Can you just go
23 into the areas as well, where you foresee a 30/30
24 option working as well, so either one, ANHD...
25 [crosstalk]

2 BARIKA WILLIAMS: I think one of the
3 concerns with the 30 at 120 option that we've heard
4 from the City is that they like this option as a
5 reserve in the event that the real estate market
6 fluctuated; let's say that we went into sort of a
7 real estate depression -- I don't know where this is
8 in New York's future -- but I think the question is,
9 why is this option on the table period? If it's an
10 emergency option, that's very different than it being
11 an option that can be applied sort of without review
12 by this body, by community boards, by borough
13 presidents and sort of just being applied without
14 sort of an emergency standard or clause; right? I
15 think the sort of broader concern when you think
16 about the history of the city is; if we had applied a
17 30 at 120 option in Williamsburg 15 years ago, we'd
18 all be kicking ourselves right now, right, because
19 there's a recognition that you're not really getting
20 real affordability out of Williamsburg with \$2500
21 rents.

22 I think for the 30 at 30 option one of
23 the real concerns for sort of how MIH is structured
24 as a policy is, is this being written as a policy
25 that will be in place over the next 30 years plus,

1 which is how we have heard from jurisdictions across
2 the U.S. is what tends to happen, or whether this is
3 being written for the communities in color and
4 rezonings in low-income communities that are
5 currently being looked at as these 15 neighborhoods.
6 So there are neighborhoods like Chinatown, like the
7 Lower East side, there are other neighborhoods that
8 are interested in deep affordability that have very
9 high levels of density and that want very deep AMIs
10 and there are other neighborhoods, outer borough
11 neighborhoods that would also want these options; in
12 cooler markets it would definitely cost the City more
13 to do it, but they have already made those
14 commitments in neighborhoods like East New York and
15 in hot market neighborhoods it wouldn't cost them
16 more because it's financially feasible under the
17 current market.

19 CHAIRPERSON RICHARDS: So are you saying
20 couple the 120 at 30 as an emergency option with the
21 30 and 30 so that would be.. or are you saying..
22 [crosstalk]

23 BARIKA WILLIAMS: No, so I mean we're..
24 we're calling for the elimination of the 120 option..
25 [crosstalk]

2 CHAIRPERSON RICHARDS: No, or you're
3 saying elimination period and then 30 by 30...

4 BARIKA WILLIAMS: Right.

5 CHAIRPERSON RICHARDS: in well-to-do
6 markets?

7 BARIKA WILLIAMS: But we're not saying
8 where the 30 at 30 should be applied... [interpose]

9 CHAIRPERSON RICHARDS: Okay.

10 BARIKA WILLIAMS: right? I think that's
11 -- right now -- I think one of the key points is, the
12 25 at 60 is not financially feasible without subsidy
13 in poor communities as it exists right now, right?
14 So this is a question of how much money the City has
15 and is willing to put into neighborhoods and deals
16 and projects; it is not a question of are these
17 financially viable deals, right; they already aren't,
18 there's very little if any market rate housing being
19 done without subsidies in weak market neighborhoods,
20 as per their own study, right.

21 CHAIRPERSON RICHARDS: 'Kay, great.

22 CATHY DANG: Can I just comment on the
23 Chinatown working group [sic] plan that Barika just
24 mentioned... [interpose]

25 CHAIRPERSON RICHARDS: Sure.

2 CATHY DANG: and so we've been working on
3 that plan for almost 7 years; we've seen -- it got...
4 started drafted [sic] and completed in 2013; we
5 worked with the Pratt Institute and in that plan it's
6 been demonstrated that 50/50 does work, when you
7 break down the numbers; it is a high-density
8 neighborhood with a hot market, but the Pratt
9 Institute pulled the numbers together and saw that we
10 could have 50% at the local AMI of the neighborhood
11 and 50% market rate.

12 BARIKA WILLIAMS: And I think I wanna
13 just make sure I go back and answer your question in
14 terms of the five options. ANHD and the groups
15 called for sort of -- we went through and looked at
16 the City's proposal and a lot of detail, we had a lot
17 of conversations about it; the call is to create
18 additional sets of options and I think this is
19 something that's really come up when we've heard from
20 council members, is to say two options with a
21 workforce/gentrification option is not enough to meet
22 the diverse needs across the city; what we really
23 need is enough options so that any neighborhood could
24 be looking at two viable options for their real
25 estate market and make a choice based on them.

2 CHAIRPERSON RICHARDS: Thank you. We'll
3 go to Chair Greenfield; then to Council Member
4 Lander.

5 CHAIR GREENFIELD: Thank you, Chair
6 Richards. You know, this is actually the joy of long
7 hearings; in hour eight we're actually having a very
8 substantive conversation about the Mandatory
9 Inclusionary Housing program; thank you to the three
10 of you and please send Melinda our best in Queens, so
11 thank you, sir. But I'm certainly enjoying this and
12 I'm very pleased that we can do this.

13 I do want to ask you a few questions. I'll
14 start with you, Barika. I certainly appreciate the
15 call for more options; I think it's something that
16 we've actually -- as you've seen today, the Council
17 has endorsed and I'm actually very pleased that you
18 pointed out the off-site development challenges; in
19 fact, I was telling my colleagues before that a
20 perfect example is one that you actually cite, which
21 is the Brooklyn Library... [interpose]

22 BARIKA WILLIAMS: Right.

23 CHAIR GREENFIELD: Brooklyn Heights
24 Library development and I was literally chatting with
25 my colleagues about this before, how that's a good

1
2 example of how -- it's not ideal that we have that
3 affordable housing off-site, for one thing, it's
4 actually in a completely different council district,
5 right, so the folks in that community aren't directly
6 benefiting from it and for another, as you point out,
7 there are benefits in being in that particular
8 district in terms of just the schools, for example
9 and the amenities and other points, and so I
10 certainly appreciate that and I'm with you on that.

11 I will say though that Council Member
12 Lander has one over you because you guys have been
13 working on this since 2004; he's been working on it
14 since 1983 [laughter] and so, he's relatively young,
15 but he was passionate about the issue then.

16 My question for you is that -- you know,
17 one of the things that you did mention was that over
18 time things change in terms of the numbers and I
19 think -- Cathy, I think you were the one who said 80
20 years; it might be a little of an exaggeration; I'd
21 hope that we change it [sic] between now and the next
22 80 years, although I'm not sure that any one of us
23 will be around to know if that's the case, but my
24 question for you is, Barika, back in 2004, what were

2 you advocating for in the MIH proposal that you had
3 at the time?

4 BARIKA WILLIAMS: So I think actually,
5 and Council Member Lander might be able to speak to
6 this more accurately; I think in 2004 we were calling
7 for an affordable housing set-aside on all new
8 residential construction, not necessarily tied to a
9 rezoning, and I'm not sure what the AMI and
10 percentage set-asides were. I'm glancing at him to
11 see if he remembers [sic]... [crosstalk]

12 CHAIR GREENFIELD: It was actually -- the
13 number -- it's a trick question; as a lawyer, I was
14 taught, when I was in law school, and now that I'm a
15 law professor I tell this to my students as well...
16 [crosstalk]

17 BARIKA WILLIAMS: You know the answer.

18 CHAIR GREENFIELD: don't ask a question
19 of a witness that you don't know the answer to and I
20 actually do know the answer; it was 20 at 80. And
21 the reason I'm bringing it up is because -- I
22 appreciate your testimony and I actually do think you
23 plan an important role in the work that you do in
24 this city, but I haven't read anything in this
25 testimony, jut be fair, that praises the

1 administration for the work that they have done,
2 which is significant in terms of the fact -- we need
3 to give credit where credit is due -- this
4 administration is actually proposing a Mandatory
5 Inclusionary Housing plan that was really the dream
6 of so many advocates, including yourselves as
7 recently as 12 years ago and 12 years ago you
8 would've thrown a ticker tape parade for whomever the
9 mayor was at that time at 20% and today obviously the
10 proposals are significant higher and so I just think
11 it's fair and believe me, I appreciate the feedback
12 that you're given us; I just think it's fair to note
13 that the administration is doing something very
14 significant over here and that we can certainly agree
15 on the need to tweak it and make changes and improve
16 it, but at the same time I don't want that to get
17 lost in the conversation, it's just -- you know you
18 get a sense sometimes from the panels, and I
19 understand that timing is short, but you know, it's
20 almost the evil administration is not doing enough
21 when they've done a lot and believe me, my record is
22 one as an individual who is not shy to critique this
23 administration when they're wrong; I just think
24 that's certainly something that's worth noting.
25

1 I actually -- I'm curious, Cathy, you
2 mentioned that your family moved the business to Los
3 Angeles; I didn't realize Los Angeles is cheaper than
4 New York... [crosstalk]

5 CATHY DANG: Yeah, in San Gabriel Valley
6 it is cheaper.

7 CHAIR GREENFIELD: Okay.

8 CATHY DANG: Yeah, it is.

9 CHAIR GREENFIELD: Okay, a little the
10 outskirts over there.

11 CATHY DANG: The outskirts of L.A.

12 CHAIR GREENFIELD: Alright, I'm just
13 saying, Downtown Brooklyn is not quite the same, but
14 we certainly [background comment] we certainly -- I
15 mean that's the heart of our district, so you no
16 longer have -- they no longer have a business here in
17 New York...? [crosstalk]

18 CATHY DANG: No. No; it was... it was
19 Downtown Brooklyn, before it became Fort Greene.
20 Yeah, before it got gentrified.. [crosstalk]

21 CHAIR GREENFIELD: Got it. Well in any
22 event, I do wanna thank all of you for your
23 testimony; this is actually very -- this is really
24 good testimony, great conversations and we do wanna
25

1 thank you all for the work that you do to push
2 forward on affordability in the city, it's important
3 work and we recognize it and that's why the three of
4 us are hangin' out to hear it and I will send it back
5 to the Chair. Thank you.

6 CHAIRPERSON RICHARDS: Thank you.

7 Council Member Lander now; he's been... [crosstalk]

8 COUNCIL MEMBER LANDER: Thank you.

9 CHAIRPERSON RICHARDS: workin' on this
10 since I was born, apparently, 1983.

11 [laughter]

12 COUNCIL MEMBER LANDER: Alright. First
13 of all, I've only been working on it since 2002; the
14 Pratt Center has been working on it since 1983 and
15 you guys have been sitting here for a long time, so I
16 do wanna praise you; I ducked out for a while.

17 I do wanna echo I guess a couple of
18 things; first, you know this is exactly the debate
19 we're supposed to be having; I really appreciate the
20 work that all of your organizations and you
21 individually and all of us have been doing a long
22 time, having missed the opportunity to get a mandate
23 in 1983 and again in 2003 and again in 2006 and again
24 in 2007, I don't wanna miss it this time and so you
25

1 know, I'm not gonna rehearse what I said again this
2 morning; to me we are going to get development and
3 gentrification and change, whether we have a
4 Mandatory Inclusionary Housing policy or not, so we
5 are gonna have all the pain that that brings of
6 displacement and development and if we don't have a
7 policy like this we're just not gonna get any
8 affordable housing at all; we know what that looks
9 like, we've run that play before, so we have to have
10 a mandatory policy; now we've gotta get it as best we
11 possibly can and that's why I appreciate the advocacy
12 you're doing; you hear this Council wants to get
13 deeper affordability to the extent we possibly can
14 get it; we want a Certificate of No Harassment
15 requirement; you know, I'd like to see it not just in
16 the rezoning areas, but you know, Crown Heights needs
17 that as well; we oughta have it everywhere in this
18 city; I'm pushing as hard as I can to make sure
19 Gowanus is one of the neighborhoods; I absolutely
20 agree that this needs to be in high-value, high-
21 income neighborhoods or else it's not a genuinely
22 inclusionary policy and that we need to do a lot more
23 together on preservation to make sure people that are
24 already in these neighborhoods have the opportunity
25

2 to stay as they grow and change and get better. So
3 you know where we agree, where we disagree, please
4 keep pushing us.

5 BARIKA WILLIAMS: On that, Council Member
6 Lander, I just wanna point out; I think in some of
7 the previous conversations it was raised that the
8 Clinton Special District had actually had only two
9 cures and I think it's just important to clarify that
10 the anti-harassment actually had only two cures that
11 were brought by HPD to full sort of court process;
12 that the majority of those went through sort of a
13 settlement process and so it actually is a -- the
14 settlement piece is not necessarily fully captured in
15 those numbers.

16 COUNCIL MEMBER LANDER: Hopefully in the
17 very near future we're gonna get to have a hearing on
18 having a citywide Certificate of No Harassment, so we
19 can save some things for that one, which -- but I
20 agree with you that that to me is part of this debate
21 that we're having today and that I hope we'll be able
22 to have it in the very near future... [crosstalk]

23 CATHY DANG: There are a set of bills
24 coming before City Council very soon that would help
25 on the issue of harassment, so the Stand for Tenant

1 Safety to reform and overhaul the Department of
2 Buildings will be coming before the City Council and
3 that is one way of regulating predatory landlords
4 from using construction as a form of harassment, but
5 there are other ways of -- the watch list and holding
6 the landlords accountable, but I also think that
7 there should be some political pressure on district
8 attorneys to hold, you know, landlords accountable
9 for white collar crimes.
10

11 CHAIRPERSON RICHARDS: Thank you all for
12 your testimony today and thank you for the work
13 you've done and the foresight to work with Council
14 Members and to arm with information, we're very
15 grateful for that; look forward to continued
16 partnership.

17 Our next panel is Alex Rodriguez from the
18 Hotel Trades Council; Barbara Edmonds from DC 37;
19 Richard Barth, Capalino, myself he's representing,
20 and also Clark Elma [sp?], who's representing
21 Capalino and Co. [background comments] Are they
22 here? [background comments] If your name was
23 called, please come up.

24 Alright, let me read through again, the
25 names again. Alex Rodriguez, Hotel Trades Council;

1 Barbara Edmonds, DC 37 [background comments] oh, I
2 skipped one, Mary Rosario, 32BJ; Richard Barth,
3 representing himself -- is Capalino here though --
4 and Clark Elma, Capalino and Co, representing myself.
5 [background comments] Oh, Mary was in the last
6 panel. Okay, great. [background comments] Oh I'm
7 good. [laugh] Alrighty. And once you're seated, if
8 you can state your name for the record and the
9 organization you're representing and you may begin.

11 MARY ROSARIO: Good afternoon. Thank you
12 for the opportunity to testify today. My name is
13 Mary Rosario and I am a custodian at Madison Square
14 Garden and a member of 32BJ for 10 years. I live in
15 the Bronx and I'm a proud mom and a grandma. I'm
16 here to support Mayor de Blasio's plan for Mandatory
17 Inclusionary Housing because it will provide vital
18 housing for hardworking people like me who are seeing
19 the housing stock for middle and working class
20 families disappear.

21 I know many of my union brothers and
22 sisters are struggling to keep up with the rising
23 cost of living and many have had to move out of the
24 city. I'm worried that I'll have to move out of the
25 city because my rent is so high; if I can't find an

1 apartment I can afford, I will have to move with my
2 mother in Connecticut and commute to my job in
3 Manhattan.
4

5 I have applied for affordable housing
6 multiple times but I have been told that I make too
7 much money to be eligible; that's why we need
8 Mandatory Inclusionary Housing to create affordable
9 housing that I will be eligible for, along with many
10 other union workers in the city.

11 This city is my home, I was born and
12 raised here; my grandson was born in Brooklyn; I work
13 hard here and I have contributed so much to my
14 community. I don't want to get priced out of my home
15 and I don't think New York City should be the home of
16 the very wealthy. The City has already produced more
17 than 40,000 of these affordable homes for 100,000 New
18 Yorkers in the last 2 years and Mayor de Blasio's
19 plan will create and preserve 200,000 affordable
20 homes that we desperately need. This is a great
21 first step and now we need to keep going with Mayor
22 de Blasio's plan to build and preserve this much-
23 needed affordable housing. Thank you.

24 CHAIRPERSON RICHARDS: Thank you so much
25 and I have such a deep respect for 32BJ and cleaners;

1
2 my father's actually one, so I am always very
3 grateful to the work that 32BJ does.

4 I wanted to just get your opinion; do you
5 think that the affordability is enough to reach your
6 members or do you think that the administration
7 should go a little deeper into the affordability?
8 What's your opinion?

9 MARY ROSARIO: My opinion. Well my
10 opinion is that I think the bill, the way it is, it
11 should be looked into, you know, to reach everybody
12 that is tryin' to make a living that don't want to
13 leave New York, because this is their primary home;
14 this is where they live; this is where most of their
15 lives they've been. So I think they should look into
16 that the law has to reach everybody that is making
17 from a minimum wage all the way to median wage.

18 CHAIRPERSON RICHARDS: Thank you so much
19 for that honest answer. Council Member Menchaca had
20 a question.

21 COUNCIL MEMBER MENCHACA: Hi. It sounds
22 like I'm repeating my question, but very curious to
23 hear your thoughts; I know you were here for most of
24 the hearing -- can't believe it's already 5:00 -- do
25 you have any reactions to the ideas of deeper --

2 you're already kinda talking about deeper
3 affordability, but this FAAB concept of really
4 thinking about a whole new way of extracting more
5 work around -- Miss Mary Rosario -- about working
6 with the current zoning text and really attaching a
7 better way of integrating our local communities to
8 jobs; they're calling it FAAB, but really it's just
9 bringing a new idea to the table; I'm just kinda
10 curious to see if you have any ideas or thoughts or
11 concerns about that move to really help us get to a
12 better place.

13 MARY ROSARIO: I haven't heard about that
14 FAAB, I just knew about it, so I cannot comment about
15 what really it is, so..

16 COUNCIL MEMBER MENCHACA: Good. Are you
17 interested in learning more about it?

18 MARY ROSARIO: I'm interested in learning
19 more about it.

20 COUNCIL MEMBER MENCHACA: Great; I know
21 there's more people here in the audience that would
22 be happy to talk about it. Thank you.

23 MARY ROSARIO: Thank you.

24

25

2 CHAIRPERSON RICHARDS: Thank you so much,
3 Mary for your testimony, we appreciate your honesty
4 too... [crosstalk]

5 MARY ROSARIO: You're welcome. Thank
6 you.

7 CHAIRPERSON RICHARDS: Thank you. Next
8 panel, Jose Lopez, Staten Island Make the Road;
9 Jennifer Gray Brumskine, Staten Island; Dolores
10 Stallworth, New York Communities for Change; Loretta
11 Fine [sp?], New York Communities for Change -- ooh,
12 who is this? Can you read that? [background
13 comments] Howard... [background comment] oh... number
14 36. [background comments] It looks like a Howard Ur
15 something, Urell, Ur... Howard [background comments].
16 'Kay, I can't read that. I think... [background
17 comments] alrighty, number 36.

18 Alrighty, so Jose Lopez, Make the Road;
19 Jennifer Gray Brumskine from Staten Island; Dolores
20 Stallworth, New York Communities for Change; Loretta
21 Fine, New York Communities for Change. [background
22 comment] Alrighty, we will proceed. [background
23 comments] Sure. Yeah, sure. [background comments]
24 What's your number and who are you representing?

25 [background comments]

2 LAMAGE TAPPY: Uhm... oh, okay.

3 [background comments]

4 CHAIRPERSON RICHARDS: Okay. [background
5 comments] Wrap up. Okay, got it. Okay, great.

6 LAMAGE TAPPY: Hi. My name is Lamage
7 Tappy [sp?] with New York Communities for Change; two
8 of our members, of course it's been a long day, so
9 they weren't able to stay, so I'll really quickly and
10 briefly read both of their testimonies. The first is
11 for Loretta Fine and I can give you these copies when
12 I'm finished.

13 She says "Good morning, good afternoon.
14 I would like to thank the City Council for the
15 opportunity to present this testimony regarding the
16 Mayor's Mandatory Inclusionary Housing plan. My name
17 is Loretta Fine; I am a member of New York
18 Communities for Change and Real Affordability for
19 All. I am currently making \$16,630 a year; I am
20 below 30% AMI; where do I fit in Bill de Blasio's
21 housing plan? My neighbors and I are suffering
22 because of no repairs and rising rents, which will
23 get worse with market pressure from rezoning. I,
24 like many others, cannot afford to live anywhere

25

1 else; that's why I'm asking you today that you vote
2 no on mandatory inclusionary zoning."
3

4 Secondly is from Dolores Stallsworth
5 [sic].

6 "Hi, my name is Dolores Stallsworth and
7 I'm a member of New York Communities for Change and
8 RAFA, which is Real Affordability for All. I live in
9 Ocean Hill with my daughter.

10 I agree with the need for affordable
11 housing, but his plan Mayor de Blasio needs to pay
12 our neighborhoods another visit. The vast majority
13 of the so-called affordable housing is not for people
14 like me or my neighbors; this plan will push us all
15 out of East New York.

16 In 2014, after having to move from
17 Clinton Hill, I was desperate to find a place to live
18 for my daughter and I; after searching all over
19 Brooklyn I ran into a pastor who was willing to rent
20 me an apartment in Ocean Hill near Broadway Junction
21 at a price that I could afford, though something
22 seemed off about it. I couldn't find anywhere else
23 that I could afford so I took it, even though I never
24 received any lease or anything at first; after about
25 a year of living there I found out that the pastor

1 was running a scam in which he was illegally moving
2 tenants into apartments and charging rent even
3 thought the building had been foreclosed on. Due to
4 this scam, I could be forced out of my apartment any
5 day now. Just to pay my rent and provide for my
6 daughter, I'm already working two jobs. I've already
7 started looking for housing down south because I
8 don't know where I'm going to go. The Mayor's plan
9 will force me and thousands of my neighbors to fight
10 for the little amount of truly affordable housing
11 created under his plan; most of us will be left in
12 the streets if we don't build this right.

14 I ask Council to vote no on MIH until
15 significant changes are made that benefit New York's
16 most vulnerable. Thank you."

17 CHAIRPERSON RICHARDS: Thank you.
18 Mr. Skinner.

19 JOHN SKINNER: Good afternoon, Mr.
20 Chairman and Council Members, thank you for hearing
21 our testimony today. I'm John Skinner; I'm the
22 President and Political Director, Metallic Lathers
23 and Reinforcing Ironworkers Local 46 and we're with
24 the Coalition Real Association for Affordable Housing
25 for All as well.

1 In a city as rich as ours, it is wrong
2 for Mayor de Blasio's plan to move forward in its
3 current form. Today we issue a call to your
4 collective conscience as Council Members and we urge
5 you to vote no on Mandatory Inclusionary Housing
6 unless it is substantially improved. As it stands,
7 no worker making \$15 an hour could afford in the
8 Mayor's affordable housing. As it stands, the
9 workers who build that housing will be victims of
10 wage theft and abuse, which this Council has heard
11 about and which is ubiquitous in the affording
12 housing industry. As it stands, those workers
13 building this housing would have inadequate training;
14 not the kind of training which keeps workers and the
15 public safe. The Mayor proposes letting for-profit
16 developers get rich while gentrifying working class
17 New Yorkers out of their neighborhoods and giving
18 local residents short-term, low-wage jobs. I am
19 incredulous that this is called a progressive plan
20 and I trust this Council will demand better for the
21 workers and the communities they live in and serve.
22

23 And I'd like to add one more thing to
24 that; construction workers matter. [background
25 comment] Thank you.

2 CHAIRPERSON RICHARDS: Thank you. Thank
3 you both for testifying.

4 Alright, we're gonna be moving quickly
5 through the panels, being that there are some people
6 who left, so if anyone is watching, perhaps across
7 the street or outside, we suggest you come back now
8 because we're gonna be moving rather rapidly through
9 to get everybody on the panels.

10 So we're gonna call our next panel --
11 Audrey Sasson from Walmart Free NYC; Alice Kinloch
12 from UFCW Local 2013; oh, local 1500, I think -- oh
13 okay, it says 2013, I'm not wrong -- and then
14 [background comment] Brendon Sexton, you're...
15 [crosstalk]

16 FEMALE VOICE: They're both... Brendon and
17 Alice are both actually... [crosstalk]

18 CHAIRPERSON RICHARDS: Alright, so you're
19 gonna represent... [crosstalk]

20 FEMALE VOICE: Yeah.

21 CHAIRPERSON RICHARDS: Okay, we'll keep
22 goin' then -- Kyle Bragg left; he testified...
23 [background comment] alright, Delores Green, 32BJ...
24 [background comments] alright, she did too...
25 [background comments] oh, Mary went, we had double

1 slips. Alrighty, Pierina Ana Sanchez, Regional
2 Planning Association... [background comment] alrighty,
3 great. Oh, hello. Barika Williams, ANHD..
4 [background comments] think she went already..
5 [background comment] 'cause we have some double slips
6 here. Esther Vazquez, 1199 SEIU. Esther Vazquez,
7 okay. Michael Brady, SoBRO; Michael Brady, you're
8 here? Alrighty, progress. [background comments]
9 Okay, yeah. Elva James Richmond. Elva James
10 Richmond, raise your hand again -- not here.
11 Alrighty. Carlo Scissura, Brooklyn chamber. Carlo
12 Scissura, Brooklyn Chamber of Commerce. No. Okay.
13 Oh he left; I saw that, so Clifton Stanley Diaz,
14 Rochdale Village Civic Association [background
15 comments] he left; Elizabeth Strojjan, Enterprise
16 Community Partners, [background comments]. Rafael
17 Cestero, President, Community Preservation
18 Corporation. [background comments] Alrighty, we'll
19 keep goin'. Pamon Lodi Rebny [sp?] Rebny, Rebny,
20 Rebny. Okay. Asenhat Gomez, Friends of Hope
21 Ballfield. [background comments] Anthony Barnes,
22 NYCHA Brooklyn Houses. Mike Rasipio [sp?], CB6
23 Brooklyn, Community Board 6. No. Alright, we're
24 almost there, we're gonna get somebody. Irma
25

1 Campbell, Haven Plaza CA [sic]. Toba Potosky, Cadman
2 Towers. Chris Widelo/Leo Assan, AARP New York.
3 [background comments] Alrighty. Alright, we'll
4 begin? [background comments] Okay. Jolie Milstein
5 from NYSAFAH. Alrighty. Woo, there we go, fourth
6 time's a charm. Alrighty, you may begin. Please
7 state your name for the record and the organizations
8 that you represent as you go down the line.
9

10 AUDREY SASSON: Thank you. So my name is
11 Audrey Sasson, I'm with Walmart Free NYC. Before I
12 begin, I would just like to say this has been quite
13 an experience in democracy, so thank you for giving
14 all of us a chance to speak and not just speak, but
15 actually to engage, you know, engaging with people
16 who are testifying, it's been helpful to hear
17 everyone's testimony.

18 So thank you for giving me the
19 opportunity today to provide testimony on the Mayor's
20 Mandatory Inclusionary Housing Text Amendment. My
21 name is Audrey Sasson and I am the Director of
22 Walmart Free NYC, a coalition of community, labor and
23 faith groups committed to supporting economic
24 development that benefits workers and communities
25 alike. There are others from our coalition who did

1 wanna speak today; in particular, a retail worker who
2 was going to speak to her experience of actually
3 recently facing eviction and the importance of having
4 a good union job at the time that she was facing that
5 in order to deal with the issue, but she had to
6 leave, so she will be submitting that electronically.

8 From East New York to the South Bronx and
9 beyond, the Mayor's plan to rezone neighborhoods
10 across the five boroughs will shape the future of our
11 city for years to come; the rezoning process could
12 either reduce inequality or deepen it. We are here
13 today to state clearly and for the record that the
14 housing plan needs an integrated jobs plan that will
15 aid in ending income inequality and addressing the
16 affordability crisis that so many New Yorkers are
17 facing and that we already heard so much about today.
18 Part of the plan for implementing Mandatory
19 Inclusionary Housing will be to anchor the affordable
20 housing in developments of ground floor retail and
21 yet the quality of the permanent jobs created in
22 those very retail establishments, establishments that
23 will serve to literally hold up the housing stock,
24 have yet to be considered or addressed in any
25 meaningful way. While it's true the administration

1 has announced an intention to advance targeted local
2 hire to support local development in the rezoning, we
3 must insist that local hire is insufficient if it
4 amounts to hiring for low-wage jobs with erratic
5 schedules and no benefits. People working those jobs
6 won't be able to pay their rent or sustain their
7 families. Poverty wage retailers that use Walmart's
8 playbook, and that's something we're familiar with as
9 Walmart Free NYC, those retailers use Walmart's
10 playbook, they're all over the city; that playbook
11 includes disrespecting workers and dragging down
12 communities; they are gonna come into new
13 developments unless a plan for high-road retail jobs
14 is incorporated into the Mayor's housing and zoning
15 efforts. Simply put, affordability and jobs are
16 intricately connected, workers are tenants and
17 tenants workers; without a good retail jobs plan,
18 housing won't be affordable period, no matter how
19 affordable the administration is hoping or claims it
20 is. Consider that retail is one of the fastest
21 growing sectors of our city's economy, we need to get
22 it right; our communities deserve high-road retail
23 jobs that include local hire, job training, stable
24 schedules, living wages with benefits and the right
25

1 to organize without fear of retaliation. Without a
2 plan in place to incentivize, if not guarantee high-
3 road retail standards in these developments, [bell]
4 communities will remain vulnerable to low-road
5 employers, following Walmart's lead. You know
6 essentially the rest of it is in there, but we do
7 believe that we hope you will use your influence in
8 this process to urge the City to advance a high-road
9 retail agenda. Thank you.

11 PIERINA ANA SANCHEZ: Hi everyone and I
12 similarly wanna echo the thank you for still being
13 here and still listening to us.

14 Good afternoon, my name is Pierina Ana
15 Sanchez and I am the New York Director at Regional
16 Plan Association. Together we aim to improve the New
17 York metropolitan region's economic health,
18 environmental sustainability and quality of life
19 through research planning that's long-range, 25-50-
20 year horizon, and advocacy.

21 I'm here to testify in support of both
22 Mandatory Inclusionary Housing and Zoning for Quality
23 and Affordability, as we won't be able to be here
24 tomorrow, and also to recommend a few improvements
25 for the Council to consider.

1
2 Both proposals under consideration are
3 critical to the goals of expanding New York City's
4 supply of affordable housing; our growing city needs
5 to find ways to welcome new residents. The children
6 of existing residents, like my kids one day, a
7 rapidly expanding senior population and immigrants
8 who renew the city's vitality and young adults who
9 are increasingly drawn to dynamic places like New
10 York City.

11 But building enough housing is only the
12 start. Creating mixed-income neighborhoods with a
13 high quality of life will require a range of actions,
14 from preserving existing affordable housing and
15 preventing harassment and displacement of existing
16 residents to providing the necessary transit,
17 schools, parks and other infrastructure. The two
18 proposals are a very important part of a larger set
19 of actions and I just wanna make three notes about
20 Mandatory Inclusionary Housing and two about ZQA.

21 So as for Mandatory Inclusionary Housing,
22 we do agree and understand that this represents an
23 ambitious approach to private market participation in
24 the supply of permanently affordable housing; we know
25 that this would be the most rigorous program of its

1 kind in the nation, but it's important to recognize,
2 and we do, that this is only one tool to address the
3 city's affordable housing needs.
4

5 Here are the few points that I would like
6 to make on this point.

7 To improve the proposal, first the City
8 could clarify how it proposes to combine MIH
9 requirements with existing affordable housing
10 incentives, including LIHTC and LIHTC-related
11 exemptions like 421-a used to be, something we've
12 discussed all day today.

13 Second, we do believe that there should
14 be additional options and flexibility to the three
15 MIH options now currently under consideration and
16 definitely to allow and permit deeper levels of
17 affordability for a wide range of market conditions.
18 We do recognize that more than 40% of New Yorkers
19 earn less than 50% of AMI and we've already
20 recognized that the studies that have been conducted
21 did not even consider this lower income quintile.

22 Third, do more to encourage on-site
23 rather than off-site affordable housing; while off-
24 site housing in many cases is more economical to
25 build, it comes at a cost; it is less likely to be

2 close to transit, good schools and economic
3 opportunities and less well-maintained than units
4 that are physically part of market rate developments.
5 [bell]

6 For ZQA, just two points. The first,
7 that we would like to receive clarity on whether
8 senior housing will be made permanently affordable
9 and then second, that lower parking requirements
10 should be further studied, we should look at specific
11 origin destination patterns and actual transit use in
12 different neighborhoods and this will allow us to
13 refine more specifically where it is that we should
14 be increasing and decreasing these requirements.
15 Thank you.

16 CHAIRPERSON RICHARDS: Smart way to
17 squeeze into ZQA tomorrow; I'm assuming you won't be
18 here.

19 JOLIE MILSTEIN: Good evening, I think.
20 My name is Jolie Milstein, I am the President and CEO
21 for New York State's Association for Affordable
22 Housing (NYSFAFAH).

23 NYSFAFAH is the statewide trade
24 association for New York's affordable housing
25 industry and our 375 members are responsible for most

1 of the affordable housing built in New York State
2 with federal, state and local subsidies.

3
4 Thank you, Chair Richards and members of
5 the Subcommittee on Zoning and Franchises for the
6 opportunity to testify today on the Mandatory
7 Inclusionary Housing proposal.

8 I am here today to express NYSAFAH's
9 support for MIH, which will help serve New York
10 City's critical need for affordable housing. I would
11 like to note that NYSAFAH also strongly supports ZQA,
12 Zoning for Quality and Affordability, and I'll be
13 back tomorrow morning for more on that.

14 New York City is facing a housing crisis,
15 more than 55% of New York City renter households are
16 rent-burdened, paying more than 30% of their
17 household income for housing costs and with 30%
18 paying over 50% in housing costs; the City's vacancy
19 rate is at an emergency level. It is critical that
20 the City use every tool at its disposal to address
21 the need for more affordable housing that serves a
22 range of income levels. In the face of a housing
23 crisis, requiring affordable housing through
24 mandatory inclusionary zoning is simply good policy
25 and the proposal before the City Council today is the

1
2 strongest in the nation. MIH will ensure that
3 affordable housing requirements are included in all
4 future rezonings in neighborhoods and sites
5 throughout New York City; this will guarantee that
6 going forward affordable housing will be obligatory
7 in new residential development, leveraging market
8 rate development for the production of affordable
9 housing. In strong markets this enables affordable
10 housing to be built without subsidies, allowing
11 limited housing resources to be directed to
12 neighborhoods where affordable housing would not be
13 feasible without these subsidies. As designed, MIH
14 offers several options to address different market
15 conditions and help ensure feasibility across New
16 York City, which is critical to MIH's successful
17 implementation.

18 In addition to harnessing the market to
19 create affordable housing, MIH is important for
20 creating economically diverse communities. MIH will
21 ensure that affordable housing is developed in
22 conjunction with new market rate housing, creating
23 housing that serves a range of incomes; this will
24 both provide much-needed affordable housing for New
25

1
2 York City's residents and help the City sustain
3 economically diverse neighborhoods.

4 In closing, it is important to remember
5 that MIH is simply one tool for the production of
6 much-needed affordable housing in New York City, but
7 its importance cannot be overstated; it compliments
8 the City's existing subsidy programs which serve a
9 range of incomes by leveraging market rate
10 development for affordable housing production.

11 NYSAFAH supports the MIH proposal as a critical tool
12 for addressing New York City's affordable housing
13 crisis and we look forward to testifying tomorrow in
14 [bell] support of ZQA. Thank you for your
15 consideration.

16 CHAIRPERSON RICHARDS: Thank you so much
17 for your testimony.

18 MICHAEL BRADY: I'm jealous she timed it
19 so well. Good evening, my name is Michael Brady; I'm
20 the Director of Special Projects and Governmental
21 Relations for the South Bronx Overall Economic
22 Development Corporation, otherwise known as SoBRO.

23 Chair Richards and members of the City
24 Council, thank you for staying so late in the evening
25 and for the opportunity to discuss the application

submitted by the Department of City Planning pursuant to Section 201 of the New York City Charter.

SoBRO has been in existence since 1972; we were founded to protect businesses and grow communities during the great Bronx decline and have shepherded the Bronx's development ever since. Currently SoBRO adds hundreds of millions of dollars annually to the economic vitality of the Bronx, employs over 200 individuals, connects with 200,000 individuals annually and provides a holistic evidence-based model for community and economic development. SoBRO's programs cover the entire Bronx, northern Manhattan and Harlem and some areas of Brooklyn and Staten Island.

An important element of the SoBRO community and economic development model is access to affordable housing; our organization has developed over 6,000 units of housing and currently owns or manages 25 low-income and affordable developments. These buildings provide vital services to residents and assisting building the capacity of the surrounding community and are an integral piece of the community and economic development model.

2 This policy brought today to the Council
3 is incomplete, it's not perfect, but it's the start
4 of a meaningful conversation and a meaningful law and
5 regulation that this Council will shape. SoBRO
6 warmly supports the affirmative vote by the New York
7 City Planning Commission to approve Mandatory
8 Inclusionary Housing and measures for quality and
9 affordability text amendments that took place last
10 week. Both measures are important to preserving and
11 protecting permanent access to quality affordable
12 housing for all New Yorkers of all ages and income
13 ranges. We realize that our findings run contrary to
14 the feelings of several stakeholders in our borough;
15 however, our findings, based on economic development
16 fact, prove that these amendments are right, just and
17 sound.

18 Furthermore, we find that if these
19 amendments are not discussed and implemented, New
20 York City will be out-paced by other major cities
21 throughout the world in adapting housing policy meet
22 the needs of our evolving and varied population.
23 This policy brings to focus and seeks to address
24 outdated zoning rules and keeps pace with evolving
25 needs of our city; indeed, if MIH were adopted just

1
2 one year ago, the development dialogue for the South
3 Bronx, particularly the area along the Harlem River,
4 recently on the front page of the Real Deal, would be
5 very different.

6 SoBRO understands and encourages an
7 increase in moderate- to middle-income families in
8 area developments, this increase would lead to more
9 income diversification and provide a new tax base for
10 the target area; however, the speculation as
11 referenced in the Real Deal article and proposed
12 market rate rental fees for the area accelerate the
13 economic development model well beyond our planning
14 recommendations and tear at the fabric of our
15 communities. If MIH were adopted, the story would be
16 very different; families of diverse incomes would be
17 shaping the South Bronx waterfront development [bell]
18 conversation and the City of New York would have kept
19 pace with the community's needs; this has not been
20 the case. Now more than ever MIH must be implemented
21 and City-owned properties, not only on the South
22 Bronx waterfront, but from the shores of Port
23 Richmond to areas of Gowanus and Sunnyside must be
24 activated. The City of New York must protect our
25

2 communities and address the evolving nature of our
3 city's housing crisis.

4 Thank you for the opportunity to share
5 our thoughts and 43 years of experience with you
6 today.

7 CHAIRPERSON RICHARDS: Thank you so much
8 for your testimony today. Just two questions, one
9 for NYSFAFH; can you speak of 421-a and do you
10 believe that this program is feasible without 421-a,
11 and also, just on the stronger markets conversation,
12 and I think you can sort of allude to this too a
13 little bit; do you believe that there's room for
14 deeper affordability levels in particular and more
15 affordable housing than proposed in the plan in
16 stronger markets?

17 JOLIE MILSTEIN: 421-a -- there are a
18 number of other ways to abate real estate taxes on
19 affordable projects, particularly if there's 100%
20 affordable and I think a number of NYSFAFH members
21 will turn to those tools. That said, I think 421-a
22 was, as it would have been reconfigured, would have
23 been a great help to addressing the housing crisis
24 and creating many more units and we are hopeful that
25 across all the legislators and all the interest

1 groups we will be able to come up with an as-of-right
2 property tax abatement for affordable housing
3 projects in New York City; I'm hoping that we will
4 come up with a new tool, something that is
5 specifically targeted to affordable housing
6 construction and that really addresses that critical
7 need; very difficult without that tool; in mixed-
8 income projects, which is what NYSFAH is a big
9 advocate for, to really get those projects built
10 without some way to abate the real estate taxes --
11 the numbers are just very tough without purchasing
12 the property and constructions costs, so we're
13 working with a number of different groups to try and
14 come up with a substitute program.

16 I think very deep affordability is
17 necessary across the city and I certainly think in
18 these markets the flexibility that's inherent in the
19 proposal I think will allow us to get these low AMIs
20 and still meet those averages; I think it's
21 important, as I said, that mixed-income buildings are
22 developed across the city; we don't concentrate
23 poverty. That said, I think that the deep discounted
24 programs are achievable and certainly in conjunction

1 with the City's subsidy programs we expect those to
2 be included going forward.

3
4 CHAIRPERSON RICHARDS: You snuck in the
5 word subsidy, but without subsidy, can we get...

6 JOLIE MILSTEIN: Without subsidy, if you
7 do an averaging and certainly if you include market
8 rate units, particularly in strong real estate
9 markets, I think that those off-setting [sic] market
10 rate rents can certainly help cross-subsidize some
11 very lower-income AMIs, you know, I think that's a
12 wonderful way and one of the primary reasons I think,
13 especially in a strong market, to institute these
14 proposals as soon as possible.

15 CHAIRPERSON RICHARDS: Great, thank you.
16 I'm not sure if you wanted to add to... [crosstalk]

17 PIERINA ANA SANCHEZ: Sure, I'll just add
18 one note. So RPA certainly believes in deeper
19 affordability levels and we do think that it can be
20 sustainable; without subsidy, I won't be to speak to
21 that point, but I think that one of the most
22 important things is community choice and community
23 involvement in the process and when this election
24 process is happening, where a developer is coming and
25 saying that they would like to take advantage of

1 this, which option are they gonna choose and can the
2 community be involved?
3

4 And then second, I just wanted to add,
5 'cause I ran out of time and I'm gonna cheat a little
6 bit, that RPA is very excited about these two
7 proposals because New York City has an opportunity
8 here, you know, as it does many times, to serve as a
9 model throughout the region on how you can do
10 inclusionary housing in a very dense environment and
11 actually if we're able to push New York City as the
12 model, then we can start to address the affordability
13 crisis from a regional perspective, which involves
14 Newark and Stanford and starts to open up the market
15 and recognizes that we are one economy and one
16 market.

17 CHAIRPERSON RICHARDS: Thank you all so
18 much for your testimony and we appreciate; we hear
19 you loud and clear and we look forward to continuing
20 to work [bell] with this panel as we move forward.
21 Thank you. [background comments]

22 Next panel -- [background comments] Peter
23 Myette, Community Voices Heard; Enrique, I believe,
24 Escolero, Community Voices Heard; [background
25 comments] Pearl Barkley, Community Voices Heard;

1 [background comments] Rachel Rivera, NYCC, Rachel
2 Rivera, NYCC; John Comfez [sp?]; [background
3 comments] Is someone speaking for Rachel Rivera? I
4 see we have... okay, so you're speaking for Rachel.
5 [background comments] Okay. Alrighty. [background
6 comments] Alrighty, we're gonna go... he spoke
7 already. [background comments] John Hoyos [sp?],
8 Local 78, John Hoyos, Local 78; John Sasson [sp?],
9 New York Communities for Change -- I don't see..
10 [background comments] oh, he is. Okay. So you're
11 speaking for... okay. [background comments] Millie
12 Valentine, CVH; Juanita Sarita [sp?], Community
13 Voices Heard; Araneta [sp?] Henry, Picture the
14 Homeless, Picture the Homeless; Lavonna [sp?] Volk,
15 Carnegie Hill Neighbors; Robert, Local 78; can't read
16 the last... Local 78, Robert... okay. Wilhelm Ronda,
17 Bronx Borough President's Office; Andre, Local 78,
18 Local 78, number 68 [background comments], no?
19 Alrighty. Sherman, I believe Renee, Queens Borough
20 Board 9, number 69; Judy Montanes, Make the Road New
21 York; Judy, Make the Road; Duke Maria, Make the Road;
22 Al Williams, Picture the Homeless; Kay Samuels,
23 Picture the Homeless, Samuels, number 79; Powell, 5th
24 Avenue Committee, number 80, 5th Avenue Committee;
25

1 Simeon Barnett, I believe... [background comments] oh,
2 Ben... [background comments] Bankoff, HDC [background
3 comment]; Vincent Riggins, Community Board 5,
4 alrighty, we got one; 40th time is the charm.
5 Alright, you may proceed, just say your name for the
6 record and the organization or who you're
7 representing today. Thank you.

9 PETER MYETTE: First of all, thank you,
10 Chair Richards; thank you Council Members. My name
11 is Peter Myette; I am a member of Community Voices
12 Heard and I'm here today to speak in opposition to
13 the MIH proposal, with comments informed by the East
14 Harlem Neighborhood Plan in which Community Voices
15 Heard participated.

16 The view of the community, through the
17 seven visioning sessions of the East Harlem
18 Neighborhood Plan is that the proposal for MIH will
19 not provide truly affordable housing; we seek real
20 affordability, especially for the most needy, like
21 the 40% of families that are extremely low-income in
22 East Harlem, making \$23,000 or less per year and
23 those that make less than the median of \$33,600. We
24 cannot allow 70-75% of the apartments in each
25 building to be market rate units in this community;

1 this does not solve the affordability crisis; rather,
2 it will continue to displace residents in service to
3 the interests of the developers; it is a plan that
4 will destroy the culture and community of El Barrio.
5 With 70-75% of the apartments renting at market
6 rates, the economic diversity of the East Harlem
7 neighborhood will be overwhelmed, since the majority
8 of the housing would be for extremely high-income
9 families. Neither the amounts nor the depth of
10 affordability in this plan reflect the current or
11 future need of existing East Harlem residents.

12
13 The MIH plan will not provide more
14 affordable housing in fact. If each newly-developed
15 building project produces 15 apartments that are
16 supposedly affordable under the plan but 30 truly
17 affordable apartments were lost when properties were
18 acquired by the developer and demolished to produce
19 the new project; then the net gain is a loss for the
20 community.

21 The question was brought up about
22 leveraging the real affordability or leveraging the
23 FAAB, okay, the floor area, affordable... floor area
24 affordable bonus, the density bonus; a lot of
25 discussion at the community vision sessions hit on

1 the notion that although there's no 2nd Avenue
2 Subway, East Harlem is nonetheless very close to
3 Midtown and it'll be an attraction for developers to
4 continue to build or want to build there. There is a
5 look to leverage that desire to build, not to hold it
6 against them as a force leverage, but rather in
7 agreement to have them come together and see the
8 profitability in going to that bonus and yet still
9 agreeing to go with at least 30% of units set aside
10 for those earning up to 30% of AMI in an all-in
11 50/50; this is deemed to be appropriate and possible.
12 There is also, as was mentioned earlier today, that
13 there is a need that with FAAB and MIH we'll be able
14 to have guarantee of local hiring, good-paying jobs,
15 apprenticeships and quality construction, and again,
16 as you may recall, representatives of RAFA promised
17 [bell] to have their legal counsel's review of the
18 legal tie-in of the labor component of this given to
19 the Council. Thank you very much.

20
21 CHAIRPERSON RICHARDS: Thank you. Sir,
22 you may proceed.

23 ENRIQUE: Thank you so much for letting
24 me speak here today, Councilman...

2 CHAIRPERSON RICHARDS: No need to thank
3 us...

4 ENRIQUE: Okay.

5 CHAIRPERSON RICHARDS: we're supposed to
6 do that.

7 ENRIQUE: Alright. My name is Enrique
8 and I would like to speak a little bit about
9 homelessness and the fact that this has been such a
10 big topic of discussion for this administration
11 lately, particularly I wanna speak about the working
12 homeless. Yes, there is an effort to build
13 supportive housing, but working homeless are left out
14 of that, okay. What about those who work and make so
15 little money that they can't even be put on a waiting
16 list for affordable housing? I'm not even sure what
17 the word affordable means any more, affordable to
18 whom? There are people with jobs that don't even
19 qualify to be put on low-income housing; how is it
20 that an individual making \$38,000 a year is not
21 qualified for such programs, not because he makes too
22 much, but because he makes too little? How can you
23 consciously say that this administration is doing its
24 due diligence in solving the homelessness problem in
25 New York when such hurdles are in place? These

1 statements come from experience, having been born and
2 raised in Spanish Harlem, in East Harlem. I cannot
3 find affordable housing to move back to my beloved
4 community; with the rezoning we cannot allow for this
5 story to be the story of others. The people of many
6 New York City communities have voiced their opinions
7 to the gentrification policy and their voices are
8 constantly being ignored. Gentrification is
9 happening, but the policies that you vote on greatly
10 impact what happens to the community level. We need
11 policies to prevent the displacement of people in
12 these communities that have been there for
13 generations; displacement is not acceptable; it's
14 time to stop, look and listen to what the everyday
15 New Yorker is struggling with because of high cost of
16 living in our great city. Unfortunately, workers are
17 not getting paid a fair wage; I think the Council
18 Members, you can relate to this, considering that you
19 just voted yourselves a 30% raise.

21 All we ask is to be given a fair chance
22 to survive and contribute to the communities that we
23 have already placed so much time and effort into
24 maintaining. The people of these communities that
25 have already struggled so much should not be forced

2 out by big money and corporations and corruption. We
3 too have the right to be able to live in our
4 communities without the threats of being displaced
5 because the land is simply there for the taking of
6 big developers. I hope my words don't fall on deaf
7 ears today and that you will seriously listen to the
8 people of these communities.

9 In this MIH policy, we ask that you add
10 an option of 30% of units to be built at an average
11 of 30% AMI for communities like East Harlem, where
12 40% of the families make less than \$35,000 a year.
13 You must also eliminate [bell]... You must also
14 eliminate the 120% AMI option and the FAAB to connect
15 affordable and legality and mandatory inclusion
16 housing. Thank you again for letting me speak today.

17 CHAIRPERSON RICHARDS: Thank you, sir.
18 You may proceed. [background comments] Just hit
19 your button. There's a button on your mic.
20 [background comments]

21 MATTHEW BOND: Thank you, Council
22 Members. My name's Matthew Bond and I'm reading
23 these two testimonies on behalf of two NYCC members,
24 so... [interpose]

2 CHAIRPERSON RICHARDS: Alright, you said
3 two?

4 MATTHEW BOND: Yeah.

5 CHAIRPERSON RICHARDS: You've got 2:52...
6 [crosstalk]

7 MATTHEW BOND: Okay, they're...

8 CHAIRPERSON RICHARDS: so you're gonna
9 have to figure that out.

10 MATTHEW BOND: Okay, they were Jean
11 Sassine and Rachel Rivera, so I don't know how you
12 want to put that up. Okay. [background comments]

13 CHAIRPERSON RICHARDS: Gonna put 15
14 seconds back on for my interruption.

15 MATTHEW BOND: "My name is Rachel Rivera
16 and I'm a proud member of New York Communities for
17 Change and Real Affordability for All. I come to you
18 today as a victim of the gentrification that is
19 already beginning in East New York due to this
20 rezoning plan. I have already been going through so
21 much over the past few years; after Sandy destroyed
22 my home in Bed-Stuy, me and my six children had
23 trouble finding anywhere affordable to live. After
24 over a year of searching I was finally able to find
25 an apartment right in East New York that I could

1
2 afford for me and my kids; things were finally get
3 back on track. After less than a year of being
4 there, my landlord started to harass me and my
5 neighbors; he began to take all of us to court for
6 any little thing possible, making our lives living
7 hells; he tried to do whatever he could to kick us
8 out; this all started with East New York was set to
9 be rezoned. As a single mother making ends meet on
10 just a disability check, I don't know where to go.
11 One of my kids has tried to look for jobs, but the
12 only ones nearby are paying minimum wage; all I want
13 for my family is to have an affordable, decent and
14 safe place to live without worrying if we'll be
15 pushed out.

16 As it stands, the vast majority of
17 affordable housing is not for people like me; we need
18 more affordable housing but we need housing that
19 doesn't leave behind the over 700,000 low-income New
20 Yorkers left behind by Mayor de Blasio's plan. If we
21 are going to rezone East New York, we must ensure
22 that our communities can remain in them. We need
23 good jobs so that my neighbors are able to afford to
24 continue to live here; the Mayor's plan falls short
25 for our community. We have only one chance at this;

1 we need to build it right or else none of our
2 families will be left to see what happens. I ask
3 that you vote no on Mandatory Inclusionary Housing."
4

5 And then Jean Sassine's testimony.

6 "Mayor de Blasio has focused on mandatory
7 inclusionary zoning as the way to address the
8 affordability crisis, but unfortunately his plan will
9 leave behind many of the same lower-income and
10 moderate-income New Yorkers whose housing and job
11 needs were ignored by Bloomberg. The Mayor's plan
12 includes no standards or criteria for job quality and
13 it doesn't achieve the real affordability levels that
14 many low-income and moderate-income New Yorkers need
15 to continue to live in the neighborhoods where they
16 currently reside. The Mayor's plan only offers
17 scenarios for 25% or 30% affordability in new housing
18 and even then the affordability doesn't match the
19 low- and moderate-income levels of residents,
20 especially in neighborhoods like East New York, the
21 South Bronx and East Harlem. On its own, mandatory
22 inclusionary zoning won't create real affordability
23 communities for lower-income and moderate-income
24 residents. Thank you."
25

2 CHAIRPERSON RICHARDS: Thank you so much.

3 Alright, you may begin, sir.

4 JIM COMPASS: Good afternoon. I would
5 like to thank the City Council for the opportunity to
6 present testimony regarding the Mayor's Mandatory
7 Inclusionary Housing plan. My name is Jim [sic]
8 Compass [sp?]; I'm a proud member of New York
9 Communities for Change and Real Affordability for
10 All. I am a senior citizen; I'm a cancer survivor;
11 more than 8 years ago I was diagnosed with cancer,
12 colon cancer and prostate cancer; my life took a 360-
13 degree turn; I could no longer work. Since then I
14 have been struggling [sic] with SSI. Last year I got
15 evicted from my apartment; the rent went up and I
16 could no longer afford; since then I have been moved
17 shelter to shelter; nobody wants to be homeless, but
18 when most people afford housing created are not for
19 New York; most vulnerable [sic] people like me do not
20 have a choice; we need truly affordable housing and
21 deeper affordable for New Yorkers like me. I ask you
22 that you vote no for MIH. Thank you.

23 [background comment]

24 CHAIRPERSON RICHARDS: Thank you, sir.

2 VINCENT RIGGINS: Good evening. I'm
3 gonna read my testimony very quickly. My name is
4 Vincent Riggins; I am Chair of Public Safety for
5 Community Board 5 and I would alert the Council that
6 Community Board 5, each committee chair did come up
7 with recommendations that might have generated a yes
8 vote on the rezoning, but I don't know if the Mayor
9 read it. But anyway, my testimony.

10 As a member of Community Board 5, Chair
11 of Public Safety Committee, I found this plan
12 completely inadequate for the upward mobility of the
13 community and its current residents. And no, I do
14 not accept the false narrative to focus on rezoning
15 area only. Any upgrade in any part of East New York
16 would generate a rise in the property value taxes and
17 demand for infrastructure and other resources
18 throughout the whole East New York. One, the
19 floating income of family composition scale based on
20 AMI alone displaces immediately single mothers who
21 earn \$45-50,000 with one child or no children at all,
22 they won't qualify. Personally a good [sic] example,
23 my two children played the rules what this society
24 advocates -- go to school, get a good college
25 education -- and they would have a chance to succeed

1 in life; well they did that, one graduated from The
2 New School, the other one from HBC, Lincoln
3 University and they did what we suggested. My
4 daughter that graduated from The New School; a
5 prestigious school here in New York, now lives in New
6 Jersey; the HPD formula to qualify for affordable
7 housing needs to be reworked, period. Two homeowners
8 in the north to south direction of the rezoning
9 should be given the same tax abatements and low-cost
10 loans to add an additional floor to their current
11 residence; all basement apartments should be made
12 legal. NYCHA should be the first level of housing
13 from transition from homeless shelters to sustainable
14 housing; the integration process should include
15 workshops on being good neighbors, respect for
16 property; the 100% affordable housing we have in the
17 district are having sociability problems and rent
18 payment issues, even if they have a subsidy.

19
20 There are thousands of city, state;
21 federal workers that still reside in Mitchell-Lama
22 and NYCHA for whatever reason; they should be given
23 incentives to move to the new opulent buildings; this
24 would free up apartments for the transition from
25 shelters and open up space for the homeless; this is

1 also the population that can sustain uptakes and rent
2 and be able to patronize the merchants in most plans
3 submitted here today. One ask that's consistent is
4 for good affordable jobs, which is outside the scope
5 of this, but civil servants already have good union
6 jobs with scheduled pay increases. So let's maintain
7 what we have and plan for inclusion for everybody
8 else. Five, the most successful form of MIH livin'
9 in the country is on the south side of East New York
10 -- Spring Creek Towers, Starret City and the Nehemiah
11 Homeownership Program -- why avoid the models that
12 have worked to come up with some trickology models.
13 Education, our preference is for CUNY campus right
14 here in East New York, there are plenty of empty
15 seats throughout the district and underutilized space
16 for middle and elementary schools.

17
18 Thank you for your consideration of these
19 insightful visionary ideas and thank you guys for
20 being tolerant of us.

21 CHAIRPERSON RICHARDS: I think that was
22 very well said, Mr. Riggins... [crosstalk]

23 VINCENT RIGGINS: Thank you. Thank you.

24 CHAIRPERSON RICHARDS: And to the panel,
25 I wanna thank you; we certainly hear you loud and

1 clear and we'll be certainly working to craft a plan
2 that certainly includes some of your recommendations.

3 I'll go now to Chair Greenfield.

4 CHAIR GREENFIELD: Thank you, Chair. I
5 just wanted to echo the remarks of the Chair and just
6 point out that this is really important to us, the
7 feedback that you're providing, which is why we're
8 here. Just to put this in context, other members
9 have other commitments, but I chair the Land Use
10 Committee; the Chair of the Subcommittee is here, so
11 we are the major players in the decision-making
12 factor in this City Council and we certainly hear
13 you; we know how difficult it is to come out and to
14 take the day to testify and especially very emotional
15 testimony and we want you to know that we hear you
16 and we will certainly be advocating on your behalf
17 and that your testimony is very important to us. So
18 thank you all very much.

19 CHAIRPERSON RICHARDS: And thank you for
20 winging it out all these hours and including the Land
21 Use staff and also the members who are still here.
22 Council Member Menchaca.

23 COUNCIL MEMBER MENCHACA: Howdy. Thank
24 you. I'll also add that not only do you have the
25

2 chair here, both chairs here, but I think you saw a
3 lot of good council members too that have that role
4 and responsibility of getting this right... [interpose]

5 CHAIR GREENFIELD: I apologize, Council
6 Member; I didn't see you in the corner of my eye...

7 COUNCIL MEMBER MENCHACA: It's okay...

8 CHAIR GREENFIELD: Thank you, Council
9 Member for... [crosstalk]

10 COUNCIL MEMBER MENCHACA: I'm here to
11 always remind you... [crosstalk]

12 CHAIR GREENFIELD: for being here as
13 well.

14 COUNCIL MEMBER MENCHACA: Mr. Riggins...

15 VINCENT RIGGINS: Yes, sir.

16 COUNCIL MEMBER MENCHACA: I am intrigued,
17 incredibly intrigued by the concept of the city,
18 state and federal workers in a pipeline for all this
19 affordable housing we're gonna be creating; how do we
20 do that; what does the incentive look like and have
21 you thought about it? And if you haven't, that's
22 okay; we can think about it together... [crosstalk]

23 VINCENT RIGGINS: You know...

24 COUNCIL MEMBER MENCHACA: but what does
25 that look like?

2 VINCENT RIGGINS: Well that's a great
3 question and that's the conversation we need to have.
4 A lot of the city, state; federal workers are still
5 in Mitchell-Lama and NYCHA; some of them may have
6 been homeowners during the meltdown and the mortgage
7 crisis in 2006 and some of them are just long-term
8 residents or whatever, right, and there need to be
9 some type of surveys done -- we've got a
10 concentration in East New York and in Canarsie;
11 nobody even touched on that; those are the
12 sustainable jobs that's already in place and we're
13 now moving them into the new opulent buildings, so
14 that's problematic right there. So the reason
15 Community Board 5 voted no is because we saw this as
16 not really a plan for sustainability and upward
17 mobility of a community, but simply for the desire to
18 build what I call a golden corridor and that so-
19 called minimum zoning area, from the conduit down to
20 Barclays Center, which we call Midtown Brooklyn, so
21 that's the only thing we see, East New York has a lot
22 of land mass and none of that was considered. And
23 we've already got the most successful form of MIH in
24 the whole country; nobody looked at it, everybody's
25 tryin' to come up with new ideas and all that. Let's

1 at least start from what's successful and then add
2 onto that if we need to, is what I'm saying. Yeah.

3 COUNCIL MEMBER MENCHACA: Great. Thank
4 you and if you have more ideas, let's talk offline;
5 I'm kinda curious.

6 And to our young person on the panel,
7 remind me of your name again.

8 MATTHEW BOND: Matthew.

9 COUNCIL MEMBER MENCHACA: Mr. Matthew,
10 you're our future here; I hope to maybe one day see
11 you on this side as a council member fighting for
12 your community. I wanna ask you a little bit about
13 this idea, and I think there was a kind of consensus,
14 but if you can speak to this idea of us voting no,
15 and I think both the Chairs are kinda talking to the
16 fact that we kinda want changes. So in a world where
17 we're saying no, what do we come back with with yes;
18 what does this yes look like to you and if you can
19 articulate that, kind of, in some way, what does yes
20 look like to you? That's what we're getting asked in
21 a big way and it'd be good to kinda hear from you
22 directly; what does a yes plan look like?

23 MATTHEW BOND: Okay. Well I know that
24 personally I am making somewhere -- as a single
25

1 individual, making somewhere around probably between
2 40-50% of AMI [bell] and I know, being a community
3 organizer in both, having worked in East New York and
4 Brownsville, I know a majority of the people that
5 I've spoken to are making way less than I am, like I
6 would say off the top of my head probably at least
7 80% of the people I've dealt with are making way less
8 than I am and so -- and these are people who have
9 three, four kids, single parents, etc., so just that
10 by itself, if the plan doesn't have deeper
11 affordability levels going down to 30, 25% of AMI,
12 simply can't meet the needs of those communities,
13 there's no way that's mathematically going to work.
14 And then a separate issue would be the percentages
15 itself that are being set aside for the affordable
16 units that are gonna get created, so 25-30%'s gonna
17 get set aside; that still means there's gonna be 70%,
18 75% that's gonna be market rate and I think we all
19 know how economic forces work; that's just gonna put
20 upward pressure on rents. I also know, having worked
21 with people whose rents are rising right now; I know
22 in buildings that I'm working in right now there are
23 people, same floor, same square feet in their
24 apartments, some people have been living there for 20
25

2 years, are paying a little over \$900 in rent a month
3 and then people who've moved in in the last 2 or 3
4 years, maybe their apartments have lost their rent
5 regulation over the last couple of years, are paying
6 closer to \$1250 and that's just started over the last
7 couple of years now. So...

8 COUNCIL MEMBER MENCHACA: Got it, so the
9 two pieces that you would encourage us to vote yes on
10 is if we can lower affordability rates so that family
11 members who have three members in their family and
12 are making \$20,000, \$15,000 a year can get something
13 and then two, increase the number of units that are
14 being built?

15 MATTHEW BOND: Yeah.

16 COUNCIL MEMBER MENCHACA: Okay. Great.

17 MATTHEW BOND: And then I haven't had a
18 chance to... [crosstalk]

19 COUNCIL MEMBER MENCHACA: Thank you.

20 MATTHEW BOND: look over the FAAB
21 proposal yet; it was emailed to me; that sounds
22 interesting; density matters... [interpose]

23 COUNCIL MEMBER MENCHACA: I encourage you
24 to engage. Thank you.

2 CHAIRPERSON RICHARDS: Thank you all for
3 being fighters for your community and thank you for
4 attending today's hearing. Thank you.

5 Alan Washington, Downtown Brooklyn
6 Partnership; raise your hand if you're here.
7 Alrighty. Alex Rodriguez, New York Resident Hotel
8 Trades Council as well. Here? Taylor Rothvale
9 [sp?], Hotel Trades Council. [background comments]
10 Elizabeth Strojan. [background comments] Local 6,
11 number 104, Raquel Gatewood, Gatewood, Local No. 6,
12 number 104. [background comments] Are there any
13 more speakers in favor of this proposal right now?
14 [background comments] One... 116, come on up. Are you
15 in favor of the proposal? [background comments]
16 You're against? Say that again. [background
17 comments] No, I mean we're tryin' to do a panel in
18 favor and then... you're against. Okay, so just if you
19 can wait, we're gonna try to do those in favor.
20 Alrighty. My hear... you're in favor? Come on down;
21 price is right. Not literally, by the way.
22 [background comments] Alrighty, we have one more
23 person comin' down from upstairs. Any more in favor?
24 In favor, in favor; last call, last call in favor.
25 Alrighty, you'll recite your names and the

1 organization you're representing today. You may
2 begin, sir.

3
4 ALAN WASHINGTON: Sure. Good evening
5 Chairman; Council Members. My name is Alan
6 Washington and I am with Downtown Brooklyn
7 Partnership; we are a not-for-profit economic
8 development organization. And on behalf of DBP I
9 would like to thank the de Blasio Administration for
10 its work on Mandatory Inclusionary Housing and the
11 City Council for hosting this public hearing today.

12 As the neighborhood development
13 organization for Downtown Brooklyn, DBP works to
14 foster the growth of business, retail, cultural,
15 education, and residential components in our
16 district. We are particularly keen on making sure
17 the new residential growth occurring in Downtown
18 Brooklyn is available to as many Community Board 2
19 members as possible and as such we support programs
20 that aim to preserve and create affordable housing;
21 therefore we believe the Mayor's proposed MIH program
22 will take an important step towards creating a more
23 equitable New York City. We strongly support the
24 program and believe it'll make our city a better
25 place; the program is forward thinking and

1 aggressive, specifically as it relates to permanent
2 affordability across a wide range of income bands
3 while at the same time recognizing the importance of
4 partnering with the private real estate community to
5 achieve ultimate success.
6

7 However, we fully recognize that there
8 are some disagreements about the depth of AMI bands,
9 particularly as it relates to very low-income
10 neighborhoods. Moreover, stricter regulations
11 relating to off-site provisions might be needed to
12 reach an equitable solution. Nevertheless, MIH is
13 just one tool that helps to address the affordable
14 housing crisis and we urge the City Council to work
15 quickly and efficiently with the administration to
16 get any concerns with MIH resolved as soon as
17 possible. From our perspective, we do not have the
18 luxury of much time and we cannot let the quest for
19 perfection get in the way of the production of much-
20 needed affordable housing.

21 Recently Downtown Brooklyn co-led an
22 affordable housing seminar series in partnership with
23 other not-for-profit and for-profit organizations to
24 help educate our neighbors and spread the word about
25 affordable housing opportunities in Downtown

2 Brooklyn. We set out to reach 650 local residents
3 and ended up connecting with over 3,000; while this
4 is great news in terms of success of the seminar
5 series, the frank reality is that the most recent
6 housing lottery in Downtown Brooklyn, which had 200
7 affordable homes, received over 89,000 applications.
8 Clearly there is an immediate need for more
9 affordable housing and we must act now.

10 We look forward to seeing MIH implemented
11 soon and offer our support in the process. Thank you
12 again for the opportunity to speak today.

13 CHAIRPERSON RICHARDS: Thank you. Sir,
14 you may begin; please state your name and who you're
15 representing today on the record and I'll just ask
16 you to fill out a slip after you're finished. Thank
17 you... [crosstalk]

18 EMANUEL ZUBAIDA: Uh yes, I did actually
19 fill out a slip.

20 CHAIRPERSON RICHARDS: What's your
21 number; do you know?

22 EMANUEL ZUBAIDA: Uh 129.

23 CHAIRPERSON RICHARDS: 129? Okay.

24 EMANUEL ZUBAIDA: Yes.

25 CHAIRPERSON RICHARDS: Thank you.

2 EMANUEL ZUBAIDA: My name is Emanuel
3 Zubaida [sp?]; I am the New York City Youth Council
4 representative for District 5, which is Ben Kallos'
5 district. I did not intend to speak today, so I
6 don't really have a prepared statement, but from what
7 I understand and what I have learned before this
8 meeting, I do believe that we need Mandatory
9 Inclusionary Housing, at the least because we cannot
10 continue to create subsidized housing in its own
11 excluded pockets and bubbles. Growing up the way I
12 did, and I'm just gonna use some anecdotal evidence
13 here, I came to associate a brownstone neighborhood
14 with a less desirable neighborhood, not because of
15 the neighborhood itself, but simply because of the
16 aesthetic and so some private partnership within this
17 industry I do believe is critical. However, I do not
18 believe that we need to be giving this \$20 million
19 tax-free bond to real estate developers; the
20 expiration of 421-a is something that I rejoice
21 about, quite frankly; the city has lost approximately
22 a billion dollars every year since 421-a was instated
23 and the retail industry has had more than enough
24 taxpayer supported lenience in this regard for a long
25 time; they do not need any more of our money, in my

1 honest opinion. That being said, we do not
2 necessarily have to create new units. In Gale
3 Brewer's State of the Borough Address last year, she
4 mentioned how 30% of the new units being created, at
5 least in Manhattan, which is where most financial --
6 I don't wanna say financial -- economical
7 stratification shall we say takes place, considering
8 you have a very wealthy upper class and a very
9 oppressed lower class and I probably shouldn't be
10 using such inflammatory language, but that's how I
11 feel. You have 30% of these units that are not being
12 occupied; they are left unoccupied to keep prices of
13 housing artificially high; this is unacceptable; why
14 are we giving tax deductions, why are we giving tax
15 breaks, why are we giving tax-free bonds when we
16 could be using eminent domain to take this property
17 and give it back to the communities at lower, more
18 reasonable prices tied to the consumer price index; I
19 honestly don't feel as though this is such a
20 complicated issue, although it's made out to be;
21 maybe it's because I'm only 18; maybe I'm a little
22 bit naïve, but I honestly believe that there is a
23 simple explanation to this and it's just push it
24
25

2 forward, ignore what the retail industry has to say
3 because they've had their chance [bell] and...

4 CHAIRPERSON RICHARDS: Wow, Ben Kallos
5 better watch out. Just wanted to go back to you... and
6 thank you for your testimony, certainly you're heard
7 loud and clear. Sir, can you just go into -- so you
8 support the proposal; have you given thought to
9 deeper affordability as well within the plan?

10 ALAN WASHINGTON: Well you know, it's
11 clear from testimony today that, you know, there's an
12 opinion that deeper affordability needs to happen and
13 it's not something that we haven't heard from our own
14 constituents; on the other hand... [crosstalk]

15 CHAIRPERSON RICHARDS: You said it's
16 something you haven't heard?

17 ALAN WASHINGTON: It's not something that
18 we haven't... we have heard, we have heard the same
19 thing... [interpose]

20 CHAIRPERSON RICHARDS: Okay.

21 ALAN WASHINGTON: from some of our
22 constituents. You know at the same time, you know
23 our end goal is to make sure that affordable housing
24 units get built and we also understand, you know, the
25 nature of making sure that the private industry is at

1 the table to make these things happen. You know for
2 me it's hard because when I get phone calls in my
3 office from people telling me that you know they are
4 only 200 units and 89,000 people apply and they apply
5 multiple times for the sort of four or five buildings
6 that have had affordable housing in Downtown
7 Brooklyn, I get frustrated with telling them that you
8 know, a lot of good people are working really hard to
9 sort of make more opportunities available, but we're
10 not moving fast enough. So if deeper affordability
11 is something that we need to get to, then let's get
12 to it, but we need to do it fast, because I think
13 it's unacceptable to wait much longer at this current
14 rate because there's just too many people that need
15 housing and we're not producing housing fast enough.
16 And so for us, even as it currently exists, at least
17 there will be people who will get some housing
18 that'll be built in the near term.

19
20 CHAIRPERSON RICHARDS: Thank you for your
21 testimony. Thank you both for coming out and thank
22 you for your testimony; you did very well for someone
23 who had no prepared testimony. Thank you. You could
24 wrap up... [crosstalk]

2 EMANUEL ZUBAIDA: Thank you. I just
3 wanted to real... real quick; I think I said retail
4 several times, but I mean real estate and that's
5 quite frankly embarrassing, but...

6 CHAIRPERSON RICHARDS: That's okay.

7 EMANUEL ZUBAIDA: Alright. I would like
8 to thank you for permitting me to testify; this has
9 been an honor and I hope to do it again.

10 CHAIRPERSON RICHARDS: Don't be shy; this
11 is the people's house. Thank you for testifying.

12 EMANUEL ZUBAIDA: Thank you.

13 ALAN WASHINGTON: Thanks, man [sic].

14 CHAIRPERSON RICHARDS: And don't thank us
15 for allowing you to come into your house; you pay our
16 salaries.

17 EMANUEL ZUBAIDA: Speaking of which, I'm
18 very glad you raised your salary.

19 CHAIRPERSON RICHARDS: Thank you. We got
20 one supporter, you know, [laughter] where's the...
21 where's the press when we need them? I hope they're
22 watchin' downstairs in room... [background comment] is
23 there any press? We have one supporter of the raise.
24 Guess he's lookin'... Ben Kallos, hire him.

1
2 Alrighty, we are ready. James Rodriguez
3 from GOLES, G O L E S, number 88; Mary Crosby; come
4 on down, great organization. Beverly Pavone, 127th
5 Street, number 90. Beverly, Beverly. Nicole
6 Bertran, Construction Skills; Kelly Saeli, Sael
7 [sic], New York City Helmets to Hardhats.
8 [background comments] She left, from my district,
9 **[inaudible]**. Andrew Lassalle, Manhattan Board 10,
10 Community Board 10. [background comment] Alrighty,
11 come on down. Alright. Andrew Berman, GVSHP.
12 Alrighty, we've got three. Victoria Hillstrom, Loft
13 Tenants. Alrighty, we have four. And Met Council as
14 well, okay. Ava Farkas, Director, Met Council on
15 Housing. [background comments] Okay. Thank you.
16 Pablo Estupinan, The Bronx CASA, Bronx CASA, number
17 108; Madeline Mendez, My Neighborhood Bronx; My
18 Neighborhood Bronx, number 109; Christopher Smith,
19 number 110; Carl Johnson, Plumbers Local 1; Alan
20 Bergen [sic], Concerned Citizens for Community
21 Prospect Lefferts; you're here? Alrighty. Alright,
22 you may begin. Please state your name for the record
23 and the organization that you're representing today.
24 Thank you.

25 [background comments]

2 CHAIRPERSON RICHARDS: Press your button
3 and it'll turn red; is the light out?

4 [background comments]

5 HENRIETTA LYLE: Now... Okay, great. My
6 name is Henrietta Lyle and I'm Chair of Community
7 Board 10 in Manhattan and we had our district manager
8 here and our land use chair here earlier, but they
9 had to leave, so I get to read our testimony. We are
10 Central Harlem and Council Member Inez Barron is our
11 chairperson.

12 And again, thank you; I know you don't
13 wanna hear thank you, but thank you so much and
14 especially for being here so late.

15 Good evening. The residents are deeply
16 concerned about the lack of affordable housing in our
17 neighborhood and across the city. More affordable
18 housing is urgent for Manhattan Community Board 10
19 residents and we are glad that this is a start, but
20 it's just a start. We have had multiple hearings,
21 forums and conversations surrounding the City's MIH
22 rezoning text amendment proposal and we believe that
23 we would be doing a disservice to the community that
24 we represent if we did not raise these issues today
25 at this hearing.

We urge the City Council to take note of Community Board 10's three biggest concerns and to amend MIH text amendment proposal accordingly.

1. Requiring 25% or 30% of the units to be affordable is a step in the right direction, but this percentage is too small for neighborhoods like Central Harlem. At a minimum, developments benefiting from rezoning in selected CB districts should be required to provide 50% of the units as affordable and a percentage of those units should be focused on 30-40 AMI levels.

2. If the affordable units are built off-site, the construction schedule should be required to ensure that affordable units are completed before or at the same time as the market rate units and the affordable units should be built in the same community board district as the market rate housing.

3. Any proceeds from the payment in lieu option for small buildings should be restricted to subsidizing 60% AMI units and below; otherwise this option shouldn't be available. There needs to be transparency surrounding how the funds would be utilized; that's an addition.

2 We hope that these concerns will be taken
3 into consideration in a meaningful way and we look
4 forward to working proactively with the
5 administration in the future to find solutions to
6 housing needed for Harlem and the City of New York.

7 And I just wanna say; you know this was
8 really a rushed process for us because it was a major
9 package and it just didn't give us time to really
10 delve into everything the way we should have and
11 also, we didn't get the response we wanted from City
12 Planning [bell] for our community. This model does
13 not fit all of New York City, so that needs to be
14 taken into consideration. Thank you.

15 CHAIRPERSON RICHARDS: Thank you. You
16 may begin, ma'am.

17 MARY CROSBY: Good evening, Council
18 Members. My name is Mary Crosby and I'm a volunteer
19 with the Metropolitan Council on Housing. Thanks for
20 the opportunity to speak today.

21 I think today the tenant community would
22 say Mr. Developer, we're not against your building in
23 our neighborhood and even making money doing the
24 project; what we do oppose is your making money at
25 our expense; after all, why should we, the

1 neighborhood's residents, live and work here for
2 decades and even generations put up with your
3 disruptions and unhealthy construction conditions
4 only to get pushed out so that you can reap a multi-
5 million dollar reward at taxpayer expense, taking our
6 homes, destroying our local businesses; cultural
7 institutions, after which you will move on to further
8 conquests, as you have in Harlem, Chelsea and
9 Downtown Brooklyn, for example, and as you are
10 planning to do in East New York, Upper Manhattan and
11 East Harlem, Long Island City, the Bronx and
12 elsewhere, and by the way, we can't afford your
13 affordable housing. Is this an economic and ethnic
14 cleansing plan for all of New York City? The East
15 New York proposal reminds me of the rezoning of 125th
16 Street in Harlem and we know what happened to that
17 iconic neighborhood; is it better now? As those who
18 lost their homes and businesses, check out the film
19 *Rezoning Harlem* on YouTube.

21 Schemes for rezoning have potential
22 negative consequences; luxury housing, so-called
23 market rate housing, forces up prices, tends to drive
24 out the middle class, heats up an already overheated
25 market and accelerates the loss of existing

2 affordable housing and increases inequality, despite
3 any good intentions.

4 I lived in Chelsea for nearly 40 years
5 and I know what rezoning did in that neighborhood, it
6 did push out the middle class and local small
7 businesses and created one of the most unequal
8 neighborhoods in the entire city, which was
9 powerfully documented by a recent article in the *New*
10 *York Times* about the great wealth divide, which was a
11 result of the rampant luxury development there. And
12 there have been other articles about how much of the
13 new housing is not being lived in but rather used as
14 investment vehicles for the ultra rich and possibly
15 even for money laundering purposes; in other words,
16 for speculation only; all of this is known.

17 Any residences built in New York City
18 will be affordable to someone; we're asking you to
19 plan housing for the working people of New York,
20 people who actually live here now, to protect their
21 rights to housing and allow them to live a decent
22 life and for the growing numbers of elderly New
23 Yorkers who live on a fixed income and are being
24 driven out of rent-stabilized and rent-controlled
25 apartments and will not be able to afford the MIH

1
2 affordable housing units either, and let's not forget
3 the homeless who don't have any place at all right
4 now.

5 So-called affordable housing units in
6 luxury buildings once built are placed in a lottery
7 system and give or take a thousand people apply for
8 every unit; this mechanism is not transparent and
9 owner can get around the fair housing laws using this
10 method; no one ever knows who actually applied or if
11 they get [bell] as far as an interview stage or are
12 they rejected [sic]. There are always more losers
13 than winners and that's why it's called a lottery.

14 At Met Council we feel we're going to be
15 overwhelmed if this -- there's no tenant protections
16 in this plan; what do you think is going to happen?
17 I know I have to wrap up here; I'm sorry our director
18 wasn't able to be here today; we will be submitting
19 more specific recommendations and the way the program
20 is now, I urge you to vote no on this proposal.

21 Thank you.

22 CHAIRPERSON RICHARDS: Thank you so much.
23 You may begin, sir. Thank you, ma'am.

2 ANDREW BERMAN: Good evening. My name is
3 Andrew Berman; I'm the Executive Director of the
4 Greenwich Village Society for Historic Preservation.

5 Requiring a percentage of affordable
6 housing in new developments as MIH proposes could be
7 reasonably assumed to help affordability in New York
8 City; however, the Mayor has insisted that MIH would
9 only be applied if also very significantly increasing
10 the amount of market rate or luxury housing which
11 would be allowed, which would have the exact opposite
12 effect. This is essentially applying the
13 Williamsburg, Greenpoint and West Chelsea Hudson
14 Yards model to the entire city. Those neighborhoods
15 were rezoned in 2005 to allow significantly increased
16 market rate development in exchange for affordable
17 housing creation. In the past 10 years these two
18 neighborhoods have produced far and away the most new
19 affordable housing units in the city through the
20 inclusionary zoning program, but the tsunami of
21 market rate housing, which was the price to pay for
22 it, has made these two neighborhoods physically and
23 socioeconomically unrecognizable; they look more like
24 Hong Kong or Miami than New York City and they are
25 among the least affordable, most rapidly gentrifying

1 parts of the city, a process greatly accelerated by
2 the vast increase in the amount of allowable market
3 rate residential development from the rezonings. And
4 while MIH would produce a slightly higher proportion
5 of affordable housing than in these areas, 25-30% as
6 opposed to the 25% in West Chelsea Hudson Yards and
7 20% in Williamsburg-Greenpoint (see the attached
8 information), the over all affect would nevertheless
9 be largely the same. Tying MIH exclusively to large-
10 scale upzonings and significantly increasing the
11 amount of market rate housing also means that it will
12 almost undoubtedly not be applied in many parts of
13 the city. Areas of the city with housing markets
14 strong enough to support MIH without government
15 subsidy and without requiring large-scale increases
16 in the size of developments are found largely in
17 medium- to high-density districts in Manhattan and
18 Brooklyn. Arguable these communities in some ways
19 need affordable housing most; in most cases, however,
20 these are also communities which value maintaining a
21 human scale and character and would strongly oppose
22 large-scale upzonings that they would likely welcome
23 new affordable housing. This MIH policy needlessly
24

1
2 puts these two important public policy goals in
3 opposition.

4 The de Blasio Administration has made
5 clear that they won't consider turning the many
6 voluntary inclusionary housing districts already
7 mapped in many areas of the city into mandatory ones.
8 And when my organization proposed a rezoning of the
9 University Place Broadway Corridor in our
10 neighborhood to allow modest increases in the size of
11 new development for including affordable housing, the
12 de Blasio Administration rejected it, saying that
13 only a large-scale upzoning would be considered; they
14 preferred instead to keep in place the existing
15 zoning which guarantees that only luxury condos will
16 be built in this area. [bell]

17 I urge the Council to be guided by a
18 clear evaluation of what will really address
19 affordability rather than a desire not to offend
20 developers, allow communities to maintain their scale
21 and character and do not make affordable housing
22 requirements or new rezonings dependent upon large
23 and damaging increases in the allowable amount of
24 market rate development as currently contemplated by
25 MIH. Thank you.

2 CHAIRPERSON RICHARDS: Thank you.

3 VICTORIA HILLSTROM: My name is Victoria
4 Hillstrom; I live at 385 Greenwich, AKA 71 North
5 Moore; we are loft tenants since 1982. Some of you
6 may know our story; some of you may not. Our
7 landlord masked themselves as kids [sic] in a bar;
8 they stole our power, hotwired the buildings, caused
9 our ceilings to fall in, cut out all five of our
10 phone lines completely, used our **[inaudible]** exhaust,
11 cooking in a space that wasn't vented, removed their
12 fire, our fire exit, our second fire exit for 71
13 North Moore and started a fire. It turns out that
14 these **[inaudible]** in the bar, Smith and Mills, our
15 landlord, masked as a tenant in over a dozen
16 buildings where this same tenant had three fires, two
17 accidents, three buildings with big red Xs that are
18 no longer safe to enter, many which are landmarks; I
19 might just say that our loft date back to 1905 and
20 1815; according to the City's records we never lived
21 there. If all of that weren't enough to scare us
22 out, after they nearly killed us, they made up a
23 phony nuisance claim, very similar to the story in
24 the *Daily News* yesterday. We won the lawsuit, we
25 caught them lying to a judge; we worked with

1 Assemblywoman Glick, Senators Hoylman and Squadron to
2 take what happened to us, our case just helped push
3 the Loft Law bill past the Senate; it turns out our
4 landlord failed to register any of these buildings
5 where the City has falsified the records for our
6 lofts; this illegal bar and our damage from Bob
7 DeNiro's hotel over the rebuilding of Lower Manhattan
8 after 9/11 129 times to date, claiming damage that
9 was handled by the LNCDC [sic], a mechanism that was
10 put in place to really safeguard a level of fraud
11 that in my opinion this country has really never seen
12 before, where the DOB is claiming that they are
13 capital improvements.

14
15 So I am here simply to say -- many of you
16 know us, Carlos' daughter, Justine Almada, was Chief
17 of Staff for Dan Garodnick; they even threatened to
18 throw Justine and her mother to the streets while her
19 mother was diagnosed with terminal cancer, trying to
20 extort us for our leases for pennies on the dollar.
21 I'm here simply to put a face on our story to say
22 that until the rent laws, the loft laws, the
23 cooperative laws are strengthened, until the non-
24 harassment laws -- until the City makes the DOB
25 accountable [bell] I think that we're putting the

1 chicken before the egg or the horse before the cart;
2 I think that it's very serious what's going on in the
3 city and I don't believe that the MIH is the answer
4 until the laws are strengthened to really protect the
5 tenants. The evidence is I am very lucky that I am
6 alive, that I lived to tell the story; they very
7 literally almost killed us. Three Supreme Court
8 judges ruled in our favor; the city will not regard
9 the court's findings.
10

11 CHAIRPERSON RICHARDS: Thank you for your
12 testimony. Sir, you may proceed.

13 ALAN BERGER: Good evening. My name is
14 Alan Berger; I'm with a local community group from
15 Prospect Lefferts Gardens, neighborhood of Brooklyn
16 called Concerned Citizens for Community-Based
17 Planning and we are urging the City Council to vote
18 not on both ZQA and MIH proposals.

19 As has been said before, we object today,
20 I mean we've been here all day listening and heard
21 many people talk about the objection to the one size
22 fits all approach; we feel that's a really, really
23 important aspect that needs attention; this is not
24 what we or any neighborhood or local district needs;
25 it's not the way to maintain the culture and

1 character of neighborhoods, which is an off-stated
2 goal of Mayor de Blasio. We don't support proposals
3 that promote increased density for our neighborhood
4 because we're already one of the densest
5 neighborhoods in Brooklyn and we're gonna get denser
6 still; we've got 2,000 units now planned or under
7 construction in our district; this is also true of
8 many neighborhoods around the city, as you've heard
9 today, as private developers have taken advantage of
10 the tax abatements and market conditions to add tens
11 of thousands of market rate apartments that will be
12 foisted upon neighborhoods; problem is without any
13 associated planning and preparation for the impact on
14 the infrastructure and services that will inevitably
15 result.
16

17 We don't support incentivizing developers
18 anymore to build still more market rate housing that
19 will displace current residents and small businesses.
20 We don't support making only mid- to high-density
21 neighborhoods like ours bare all the brunt of these
22 policies. Where is the creativity in finding new
23 solutions; why are we letting the private sector
24 drive and dictate this process and where and how
25 we're gonna develop? Local communities need much

1 more of a say in local development; not less. These
2 proposals decrease what little say we have over
3 future development because they'll result in more
4 development done as-of-right.
5

6 The affordable housing aspect of this
7 proposal simply doesn't reflect our neighborhood's
8 needs; the AMI being used is much higher than our
9 neighborhoods, so very few if any of the new units
10 generated by this will go to the people and families
11 who really need it the most. There are no
12 requirements or guarantee that developers and
13 landlords will provide affordable apartments for
14 those making much less than the maximum AMI for the
15 lowest-income families; we've heard today 60%,
16 \$46,600 for a family of three, so a single parent
17 with two kids at a full-time job making \$20,000 a
18 year, about \$10 an hour, will most likely not receive
19 any of these apartments. And we've heard about so
20 much demand for these apartments; figures have been
21 thrown around, 1,000 for one apartment, 89,000 for
22 other apartments; why would any landlord with all of
23 those families to choose from ever rent to a family
24 making \$20,000 a year if they can rent to a family
25 making \$45,000 a year? [bell]

2 So again, Concerned Citizens for
3 Community-Based Planning urges the City Council to
4 stand with the people and local communities through
5 the city and the majority of community boards, the
6 vast majority of community boards that have already
7 voted no on both of these proposals. Thank you.

8 CHAIRPERSON RICHARDS: Thank you all for
9 your testimony and I'm sure my colleagues will share
10 with me; we are very grateful for you coming down to
11 the people's house; we heard you loud and clear and
12 we'll be certainly taking your comments into
13 consideration as we negotiate MIH and both ZQA, so
14 thank you so much. We will go on to the next panel
15 now.

16 Sowan Chung [sp?] of 79 Fenimore -- oh
17 sorry, I don't wanna give the address -- Concerned
18 Citizens for Community-Based Planning. Here? Raise
19 your hand if you're here; you here? No? Okay.
20 [background comments] We'll alternate and... oh, this
21 is all... okay. [background comments] Alright, we're
22 gonna just keep goin' and we... we're gonna get to you,
23 trust... [background comments] 120, you said -- 116
24 [background comments] Oh, you're next... you're the
25 next name. Okay. Eileen Herwood [sic], Tribeca

2 Trust. Eileen Herwood, Tribeca Trust. Alrighty.
3 Miss Betty Sanders; did I say it right -- in New York
4 Community... is that Seniors? [background comment]
5 Say it again. [background comments] Oh, New York
6 Community -- okay, got it. Okay. Thank you.
7 Elizabeth Caputo, Community Board 7 Chairman or
8 Chairwoman. You're here? Alrighty, as long as
9 they've signed in and... [background comments]
10 Alrighty. Page Cowley, Community Board 7, Manhattan.
11 Believe I said it right. The Chairman is not here?
12 [background comments] Okay, got it. Did the other
13 member sign up to speak? Alright. Alright, we're
14 gonna get to you, number 118; I just wanna make sure
15 I'm sayin' the name right, Cowley, Community Board 7
16 Manhattan. Not... okay, here. Okay. Mel Wymore,
17 Community Board 7. Oh, everybody's in the house.
18 Okay. Mark Diller, I believe, Community Board 7.
19 Alrighty. Tiffany Lee, Centro Altagracia de Fe Y
20 Justicia. Alrighty. Alrighty, you may begin.
21 Please hit the button; it will light up and..
22 [interpose]

23 BETTY SANDERS: Yes.

24

25

2 CHAIRPERSON RICHARDS: please state your
3 name and organizations as we go down the line for the
4 record. Thank you... [crosstalk]

5 BETTY SANDERS: Yes. Good evening. My
6 name is Betty Sanders and I'm honored to be here;
7 thank you for having me.

8 I was invited by New York Community
9 Services for Change and Affordable Housing and I am
10 the Chairwoman of the National Action Network
11 Homeless Committee and we advocate for homeless
12 people in the street, people who are sick; we get
13 them into the hospitals, we stay with them; make sure
14 that they eventually get their housing.

15 I'm not representing NAN; I'm here for
16 New York Community Voices. They asked me to come
17 here and talk about my experience as a homeless
18 person. In 2003 I was a homeowner, a mixed-use
19 commercial building, four stories; I was running two
20 businesses and my deed was illegally transferred; I
21 had a letter from my bank stating that I was not
22 behind, they didn't know these people and inevitably
23 5 years later I was evicted illegally. I ended up in
24 a shelter for 2 years where I advocated for women in
25 the shelter; we got one shelter shut down, the second

1
2 shelter they moved to in that 2-year period, the
3 director was arrested for attempting to murder me,
4 actually, because I spoke out about her taking my
5 laptop and then I exposed it.

6 Eventually I ended up in supportive
7 housing, I've had three apartments in supportive
8 housing and I have not been able to get my life back.
9 The first apartment I was living in was ravished by
10 drugs and I ended up working with Manhattan North,
11 helping them; then I went to the second apartment, it
12 was the same situation and I started working with
13 Manhattan North, they said this one we really can
14 identify crystal meth, which was the illegal
15 substance that was being used. And finally,
16 Department of Homeless Services sent me to another
17 supportive housing building; this building -- the
18 first two buildings were scattered site apartments
19 and this apartment building is a new construction
20 building that's being managed by The Bridge, The
21 Bridge, which is a supportive housing agency and
22 there are 55 units in there, it's a six-story
23 building and I'm on the sixth floor and I was
24 ecstatic when I saw this building, it's a beautiful
25 building, my apartment is beautiful and after two

1 weeks of living there I realized there was drugs
2 again, so now Brooklyn North is taking over.

3
4 So I don't agree with this plan because
5 there's no accountability to developers. In this
6 particular case, my case, there's no accountability
7 with supportive housing agencies as well. So right
8 now I feel that I'm being harassed, as well as the
9 other tenants in the building. Fifty percent of the
10 people in the building have incomes of \$44,000 a
11 year, up to \$65,000 and they are being harassed as
12 well, so by the time I got to the police to complain,
13 [bell] they had already complained to the police, so
14 the investigation had already started. So they
15 wanted me to make you aware that affordable housing
16 does not work because people in supportive housing
17 are being recycled and harassed back into the shelter
18 system and I refuse to go.

19 CHAIRPERSON RICHARDS: Thank you for your
20 testimony; sorry to hear about your experiences and
21 this is one of the reasons we're here, to ensure
22 that, you know it's built right and that there is
23 oversight certainly as we move forward. We'll go to
24 the next panelist.

2 MEL WYMORE: Can you hear me? Thank you
3 so much for staying this late, you guys rock, it's
4 really been a long day and it's been very impressive
5 to watch you interact with all of us in the
6 community.

7 My name is Mel Wymore; I'm the former
8 chair of Community Board Manhattan 7 and also the
9 Chair of the Budget Committee.

10 While CB7 supports the goals of MIH, we
11 have concerns regarding the specifics of the proposed
12 legislation. My comments should be taken in
13 combination with the testimony of my colleagues here;
14 we're gonna give you kind of a package deal of our
15 priorities. I'm gonna focus on two points.

16 The first one and probably one of the
17 most important is that we're concerned about the
18 limited scope of MIH, which only applies to rezonings
19 or upzonings and special permits. In dense
20 neighborhoods like the Upper West Side, upzonings are
21 both logistically and politically unlikely; we've
22 pretty much maxed out all of the zoning we have and
23 our experience is that rather than applying for a
24 special permit, developers look to construct as-of-
25 right buildings to avoid participation in affordable

1 housing programs. This trend will likely continue
2 and even accelerated if ZQA increases flexibility
3 regarding height and lot coverage.
4

5 So our community is in dire need of
6 affordable housing, but it's also arguable that that
7 need emerged in direct proportion to the 30-years
8 trend influx of market rate and luxury housing in our
9 neighborhood. We request that specific triggers
10 through MIH be defined for all new construction, not
11 just special permits or upzonings, including all as-
12 of-right buildings in dense districts, and I know
13 that this has been testified to before, but we are
14 one of those communities that really need affordable
15 housing and if we're going to zone MIH across the
16 board, it should apply to the wealthy neighborhoods
17 and the dense neighborhoods as well as everywhere
18 else.

19 The second point that we'd like to make,
20 and this is a very big priority, is that MIH needs a
21 mechanism for continued evaluation. Back in the
22 scoping period of this, in March of 2015, we voiced
23 concerns about the lack of an environmental impact
24 assessment and we wanna make sure that those
25

1 unanticipated outcomes in such a far-reaching
2 citywide amendment are taken into account.

3
4 Because it's comprehensive, we believe
5 that there should be a period evaluation of the
6 results and the ability of MIH to meet its goals and
7 also the effectiveness of the program in specific
8 neighborhoods around the city. We do not believe one
9 size fits all and this type of a mechanism for a
10 period ongoing evaluation would be very important and
11 should be open to the public review.

12 I'll now pass on my mic to Page.

13 [bell]

14 PAGE COWLEY: Thank you. My name is Page
15 Cowley; I'm Co-Chair of CB7 Manhattan Land Use
16 Committee and I'm here with my CB7 colleagues in
17 opposition to MIH. I'm here today because I wanna
18 relay our concerns with two other specific aspects of
19 the proposed text amendment that we would like you to
20 reconsider -- the proposed role of the BSA and the
21 potential for a loophole for developers simply
22 wishing to avoid MIH prerequisites and if I have time
23 and permitted to read a statement regarding off-site
24 housing from Elizabeth Caputo, our Chair, who
25 couldn't be here this afternoon.

1 While the BSA was established as an
2 independent board to allow relief from zoning, under
3 MIH program the developers will likely be building
4 housing that incorporates some percentage of public
5 funding, so there's already an underlying private-
6 public partnership. The CPC had suggested recently
7 that there be changes made to the MIH to guard
8 against the abuse of the ability of the BSA to
9 modify, reduce or eliminate any Mandatory
10 Inclusionary Housing obligations that may accrue
11 based on a claim by a developer that enforcing those
12 obligations could cause a hardship in the form of
13 limiting the amount of profit the developer could
14 make. The review procedure is overly complicated; if
15 in fact the administration is serious about not
16 permitting the bonuses to benefit developers without
17 the provision of even the limited number of
18 affordable units which forms its rationale for MIH in
19 the first place.

21 The proposed MIH program has identified
22 the BSA as the arbiter for scenarios where the
23 program may place a true hardship on a developer.
24 However, the BSA's accepted test for a true hardship
25 is an arbitrary and unrealistic method of computing

1 return on investment in connection with ZR 72-21,
2 which employs computations in the place of actual
3 costs and incomes that are unrelated to the
4 developer's true experience, resulting in false
5 conclusions of expected profits that fail to comport
6 with reality on the ground or common sense, so how
7 can a variance even be considered that would thwart
8 the underlying core requisite? The BSA has not
9 historically adjudicated cases involving affordable
10 housing; the five findings in Section ZR 72-21 deal
11 with the challenges which should be worked out at the
12 outset of an affordable housing project, not later,
13 finding out they need a variance; different criteria
14 need to be applied with different thresholds.

16 The debate for variances and special
17 permits needs to affirm that there is no diminishment
18 of the basic housing requirements, the amenities are
19 equal to other apartments within the same
20 development, no poor door, floor or building, and
21 that the proposed project is well-designed, meeting
22 not only zoning requirements, but any requirements
23 that govern adequacy of recognized standards [bell]
24 for housing, including Building Code, multiple

1 dwelling laws and law that protect tenants and anti-
2 harassment -- if I could just read my last sentence.

3 We support the concept of a safety valve
4 being included in a MIH; however, we strongly oppose
5 any role for the BSA in the review process. HPD,
6 however, is uniquely qualified, with an enforcement
7 division already in place. HPD is already charged
8 with the mandate and has the expertise to prioritize
9 affordable housing and should be the gatekeeper for
10 the adjudication of any hardship application. Do I
11 have time to read Elizabeth Caputo's statement?
12

13 CHAIRPERSON RICHARDS: No, unfortunately...

14 [crosstalk]

15 PAGE COWLEY: Okay.

16 CHAIRPERSON RICHARDS: because we gotta
17 wrap up because I have to get our... [crosstalk]

18 PAGE COWLEY: Thank you.

19 CHAIRPERSON RICHARDS: officers home to
20 their families and staff, as much... [crosstalk]

21 PAGE COWLEY: Thank you.

22 CHAIRPERSON RICHARDS: But I wanna thank
23 you; I think you pointed out some very good points --
24 you have -- you wanna say anything -- especially on
25 the BSA and that is something that we are going to be

2 strongly looking at on both proposals, on both MIH
3 and ZQA I do have some concerns... [crosstalk]

4 PAGE COWLEY: Thank you.

5 CHAIRPERSON RICHARDS: especially with my
6 experience with the BSA in my community; we know that
7 that's an area the Council needs to look at and we
8 are certainly -- it's in our purview to certainly do
9 that. So I wanna thank you all for coming out,
10 Community Board 7 and certainly you... [background
11 comments] everyone testified? Oh did... oh...

12 [crosstalk]

13 MARK DILLER: So if you don't mind, we're
14 gonna continue the CB7 podcast...

15 CHAIRPERSON RICHARDS: No, you... you go;
16 sorry. You know, after 10 hours it sorta all starts
17 to blur.

18 MARK DILLER: For sure. Uhm so...

19 [crosstalk]

20 CHAIRPERSON RICHARDS: I'm so sorry; I
21 apologize.

22 MARK DILLER: not at all. So I am also
23 from Community Board 7; I'm also a former chair of
24 the Board and I thank you for this opportunity. I
25 wanna take one step quick backwards to say that our

1 core principles at Community Board 7 adopted by our
2 full board include the principles of inclusion and
3 diversity and so we filter MIH through those
4 principles and we live them by the way, 25% of the
5 supportive housing in the Borough of Manhattan is in
6 our district and we're proud of that, especially when
7 the folks come to us and ask us how to do it right.

8
9 There are some concerns that I wanna add
10 on to what has already been testified to; the first
11 is the absurd possibility created by MIH that in
12 building affordable housing we could lose affordable
13 housing units. How would that happen?

14 A lot of the affordable housing on the
15 Upper West Side comes in the form of rent-regulated
16 and formerly regulated units that are now either
17 stabilized or the use of Mitchell-Lama, units like
18 that; they are often underbuilt. So a building
19 that's underbuilt that's 100% affordable because of
20 rent regulation, with the tipping point that ZQA
21 brings into this conversation could now be a
22 candidate for tearing the whole building down and
23 rebuilding it and when they rebuild it they only have
24 to build whatever the matrix says -- 20%, 30%, 40% of
25 the units -- it would be a net loss of units; that's

1 both bad and easy to fix. The answer from City
2 Planning in our process was, oh don't worry; 421-a
3 will cover that because it has this provision that
4 says that if net units are lost you have to replace
5 them and they don't worry, 421-a is forever -- not so
6 much -- and besides, do we as a city really wanna add
7 one more thing to hold it on Albany for? No, I don't
8 think so. So we should do is at a minimum simply
9 take what was in 421-a that protects this and then
10 graft it right there into the text amendment that's
11 being proposed. We should also be beef up anti-
12 harassment because if you look at the Upper West Side
13 you find that folks are pretty good about chasing out
14 the tenants before they even figure out they have
15 rights.
16

17 Another concern we have is in terms of
18 stifling negotiation and our Council Member Helen
19 Rosenthal mentioned it in her questioning earlier
20 today; the question is; is this all we get and when
21 the developer has gone through whatever the process
22 is to get him where he is now and has checked off the
23 box in the matrix and says I have to put this much
24 affordable housing into this kind of a building, the
25 reality is that the families that'll be moving into

1 those apartments are gonna need schools and parks and
2 space on the subway. In the 15 seconds I have left
3 I'm going to strongly urge you to increase the number
4 of units required if the affordable housing is built
5 off-site; it shouldn't be, Lincoln Square
6 Neighborhood should be equally home to affordable
7 housing and the only way that's gonna happen is if
8 you stick it to them and not let them build it [bell]
9 elsewhere. Thank you.

11 CHAIRPERSON RICHARDS: Well said.

12 TIFFANY LEE: Hi, good evening. My name
13 is Tiffany Lee and I'm a resident of Inwood and
14 Director of Social Justice Ministry for a faith-based
15 non-profit organization called Centro Altagracia de
16 Fe Y Justicia that serves and works with the churches
17 and communities in Washington Heights and Inwood and
18 we are also in collaboration with Faith in New York,
19 ANHD, Met Council on Housing and several other
20 community-based organizations.

21 I recognize that this Mandatory
22 Inclusionary Housing plan intends to address the
23 housing crisis while ensuring some measures of
24 protection in terms of quality and permanent
25 affordability, which I appreciate, but from what I

1 understand it concerns me in that the options are
2 based on the AMIs that we've discussed here earlier,
3 which even the lowest of the 25% of units set at 60%
4 AMI are well above the median household income of
5 Washington Heights, Inwood and Marble Hill, which is
6 \$37,000 a year and these options are also
7 exorbitantly above the median household income of the
8 parts of Inwood specifically considered for rezoning
9 and for additional housing and development in the
10 Inwood NYC Planning Initiative; specifically, east of
11 10th Avenue where the median household income is
12 \$21,000.
13

14 It seems to me that these options for the
15 protections are still too high to adequately address
16 the reality of those that these protections actually
17 aim to protect. Affordable housing remains a
18 resounding top concern of Inwood and Washington
19 Heights residents and the community leaders working
20 hand in hand with them. Housing forums and workshops
21 produce hundreds of concerned tenants at a time and
22 there is an ever-growing demand for housing attorneys
23 to attend to pressing legal matters, of tenants being
24 abused or pushed out of their homes. Many long-time
25 residents have already begun relocating due to lack

1 of affordability. Given this reality, it is all the
2 more important to get the details of the plan right
3 to ensure that these well-intentioned protections are
4 not only well-intentioned, but also well-informed by
5 the local data and the lived experiences of the
6 community.

7
8 I appreciate the intentional planning and
9 dialogue involved in the development process and
10 appreciate the opportunity to express our concerns,
11 but I would urge further consideration into
12 alternative proposals, like RAFA's FAAB plan and
13 ANHD's suggestions as well that take local data into
14 account and better reflect the lived reality of those
15 that they aim to protect.

16 I also encourage broader, more extensive
17 dialogue with those in the communities that this will
18 affect, as this process seems to be moving too
19 quickly to ensure that all of the voices are heard.
20 Thank you.

21 CHAIRPERSON RICHARDS: Thank you all at
22 Community Board 7 and all of you for doing your
23 homework and -- oh Corey, you have a statement you
24 wanna make and I certainly just wanna echo the off-
25 site argument, that's a goal we certainly share in

1 common with you. Yes, if you build off-site you
2 should be required to do more and that's one way of
3 safeguarding ourselves against that loophole, which
4 some developers will find. So thank you for your
5 testimony. Council Member Johnson.

7 COUNCIL MEMBER JOHNSON: Thank you,
8 Mr. Chair. I just wanted to -- and this is directed
9 to you all, but everyone else that's here and that's
10 been here today as well, thank you for your
11 thoughtful testimony; thank you for spending the day
12 camped out here at City Hall in the Council chambers
13 to weigh in. I especially wanna thank the Community
14 Board members -- the non community board members are
15 wonderful as well, but as a former chair of a
16 community board and as someone who spent time, 8-and-
17 a-half years in a community board, the very
18 thoughtful response that each of the boards has put
19 in has been extraordinarily helpful to us as Council
20 Members as we've gone through this process and
21 hearing from members of the public today as well on
22 the important issues that matter to their local
23 neighborhoods and communities is really meaningful to
24 us and so I'm really grateful; I wanna say community
25 boards do matter and the borough presidents'

1 recommendations do matter, they matter to City
2 Council Members, especially when they are
3 substantive, strategic, thoughtful and really look at
4 the amalgam of issues that come together on these
5 very, sometimes complicated and difficult proposals
6 that are before us. So I just wanted to say thank
7 you for being here; thank you to Community Board 7 --
8 I mostly have CB2, 4 and 5, but I have two blocks of
9 CB7 in my council district, so I claim you as my own
10 as well. Thank you very much. Thank you.

11 [crosstalk]

12 CHAIRPERSON RICHARDS: Thank you, thank...
13 Thank you all for your testimony. Alright, we're
14 getting down to the final hour it looks like.

15 Ava Farkas, Met Council on Housing.
16 [background comments] Maya Bhardwaj, Faith in New
17 York, Maya Bhardwaj. Okay. Claudette Brady, Bedford
18 Stuyvesant Society of Historic Preservation. Amanda
19 -- it say Champion -- no... [background comment] oh,
20 Champion, I think, number 133. [background comment]
21 Okay. Oh, how are you? [background comment] Lynn
22 Ellsworth, New Yorkers for a Human-Scale City. Lynn
23 Ellsworth, New Yorkers for a Human-Scale City, 134.
24 Jerry -- I won't wanna mess up your last name --
25

1 Franhoifa [sic]. [background comments] Franheffa
2 [sic]. [background comments] Alrighty, there we go.
3 [background comments][laugh] Thank you. Thank you.
4 Veronica Cullen, CPWT, number 141 or 5, I think.
5 Okay, not here. Veronica Cullen. Michelle
6 Neugebauer. Alrighty, come on down. And she's from
7 the Cypress Hills Local Development Corp. Ji-Fung, I
8 believe, Coalition to Protect Chinatown and LES. Ji-
9 Fung. Okay. [background comment] Patricia Maliha,
10 Citizens for the Preservation of Windsor Terrace.
11 Monica Frizell, Citizens for the Preservation of
12 Windsor Terrace. How many of you filled out slips
13 out there? Okay, so we have one, two... okay, we'll
14 try to get to... what are your... okay, Luis Henriquez,
15 [background comments] alrighty, come on down, Legal
16 Services New York City. Thank you for stickin' in
17 there. [background comments] And one more coming
18 down and 128 coming down. Okay. Great.

19
20 Thank you for all... for your patience
21 today; we ask you all to say your name for the record
22 and also the organizations that you represent. Thank
23 you and you may begin with that and just make sure
24 the red button is lit and you may begin.

2 JOSETTE AMATO: Good evening. Thank you.

3 My name is Josette Amato and I'm the Executive
4 Director of the West End Preservation Society.

5 The concepts behind MIH and ZQA are
6 admirable, but in practice we believe they will
7 negatively impact existing contextual and historic
8 districts and what remains of existing affordable
9 housing stock and therefore we cannot support these
10 proposals as written.

11 The City is relying on private developers
12 to achieve big gains, but MIH guarantees no
13 substantial numbers; this only works if developers
14 are willing to participate and build, so to make them
15 an offer they can't refuse, ZQA gives a bounty to
16 developers by changing the landscape in perpetuity;
17 that's too high a price to be paid.

18 Selling MIH as good for all may prove to
19 be only good for few; it offers the possibility of
20 eliminating both lowest-income residents and some
21 middle-income residents. Option 3 is nonexistent for
22 Manhattan Community Boards 1-8, and while we
23 desperately need senior housing, units should be made
24 permanently affordable and not time out. In our
25 neighborhoods it is unlikely we would see substantial

1
2 affordable housing created. MIH allows for units to
3 be created off-site or payment in lieu; this payment
4 places the burden back on the City at a time when it
5 has trouble maintaining the housing it already owns.

6 ZQA states that these changes will
7 facilitate development and improve quality, yet there
8 is no proven correlation between the two. Changes to
9 height restrictions are a major concern; changing
10 limitations for narrow streets will facilitate sliver
11 buildings; should these buildings contain 11-25
12 units, there is no gain of affordable units on-site.
13 For smaller lots it foretells the destruction of
14 smaller buildings, which could result in a loss of
15 existing regulated units.

16 Zoning changes in historic districts are
17 foreboding, communities work for years to preserve
18 and protect their sense of place; limitations have
19 been painstakingly agreed upon; now in one fail swoop
20 agreements will be nullified and streetscapes
21 changed. LPC approval does remain, but by increasing
22 height and decreasing rear yard setbacks you will be
23 forcing LPC's hand every time a new building or
24 alteration comes before them. Once implemented, this
25

1
2 proposal will unduly burden the smallest of City
3 agencies.

4 We urge you to make no changes to the
5 fabric of historic and contextual districts. Retain
6 the height limitations on smaller lots and narrow
7 streets; we urge you to allow much-needed green space
8 in our rear yards and we ask you to act on the
9 concerns of those in opposition and please do not
10 pass these proposals as written. Thank you. [bell]

11 CHAIRPERSON RICHARDS: Thank you.

12 AMANDA CHAMPION: Hi, my name is Amanda
13 Champion from East New York, Brooklyn. Of course we
14 would want unanimous support for inclusionary
15 housing; who would not want a progressive plan to
16 include affordable options in all new developments if
17 that's only what we had here. There is much talk for
18 moderate incomes in their sweeping plan for the City;
19 however, this is a great focus on income mixing in
20 low-income neighborhoods only. When I hear the
21 Deputy Mayor and Commissioner say, teachers,
22 firefighters, I hear really the ability for them, for
23 those people in this plan; at the same time there is
24 a frequent name-dropping of the neighborhood East New
25 York, what we are doing for East New York and East

1
2 New York, you have the opportunity to house these
3 nurses, etc., moderate incomes, etc., giving
4 affordability to them. Well what's happening in East
5 New York and what we have; we have a band of family
6 homeless shelters on Eunice [sic] Avenue, a women's
7 shelter on Williams Avenue and scattered site, three-
8 quarter housing for men transitioning from shelters,
9 waiting to be ready to house themselves in
10 apartments. There are rows of single-family houses
11 that were built on sites where there were once multi-
12 unit apartment houses, housing many families on those
13 sites that are not just one-family. This is all work
14 completed by the City in conjunction with non-profits
15 combined, so we have always been seen as an
16 opportunity.

17 With 64,000 homeless and what the
18 Department of City Planning's own presentation graphs
19 show; also shown by Inez Barron today, was an
20 additional 30% of East New York neighborhood to be
21 displaced. This floor of affordability, as the
22 Mayor's Office called it, that the plan creates leave
23 tens of hundreds of thousands of people displaced
24 under the subfloor in the home communities where
25 they've created a life to be walked on by those

1
2 incoming moderate-income folks; we are not
3 opportunities to walk on.

4 Developers will not stop looking for
5 opportunities; real estate developers are a broad
6 range of investors with many faces; there will always
7 be people wanting to make money off of our real
8 estate; you do not need to give into the cries of
9 large primetime developers. So we already had
10 testimony from affordable housing developers that
11 deeper affordability is possible within our
12 neighborhoods and that moderate-income units will be
13 achievable in higher numbers if those are built
14 within higher-income neighborhoods where they can
15 charge those higher rents. So we know it is possible
16 to address lower-income housing needs in East New
17 York while still planning for future incoming
18 residents in areas with higher incomes.

19 The benefit of greening sidewalks and
20 education, economic opportunities can be given to
21 East New York and other low-income neighborhoods now;
22 we do not need to wait for moderate-income
23 individuals to become present in order to see these
24 neighborhoods as worthy of investments.

2 Since this MIH is a sweeping plan for
3 across New York, we have an opportunity to address
4 the problems we have now across New York, community
5 by community. We do not need to [bell] abandon
6 current struggling, suffering New Yorkers as we plan
7 in anticipation for affordable housing for incoming
8 populations. I urge to reject this MIH plan as it is
9 and advise the Mayor and Department of City Planning
10 to stabilize the standard of living for the current
11 constituents; in other words, address the city's
12 needs as they stand now.

13 CHAIRPERSON RICHARDS: Thank you so much
14 for your testimony.

15 GERRY FROHNHOEFER: Good evening. To all
16 of us who have stayed, Council people in particular
17 and to all of us who are still here, you know we're
18 the tough crew.

19 I represent... My name's Gerry Frohnhoefer;
20 I'm an Urban Sociologist at LaGuardia Community
21 College, but I'm not here to speak on behalf of
22 LaGuardia, but we did form an association, students
23 and some staff -- Fiorello Homes for the Homeless
24 Campaign Association. What I see as a golden
25 opportunity is the failure of 421-a. We put out

1 papers asking, pleading and talking to state senators
2 and to assemblymen to stop 421-a. Why are we
3 rewarding builders who are making a fortune? Why are
4 we taking our tax dollars that they should be taking?
5 I wanna take out just a simple little \$5 bill; let's
6 say that goes to my taxes, where's that \$5 bill gonna
7 go? It's gonna go to Section 8 or any other part of
8 where our taxes go. If it goes to Section 8 and goes
9 to somebody who's a builder who has affordable
10 housing who's getting a tax break, he's gettin' my \$5
11 plus the tax break. Is that fair? We need to build
12 new public, sensible, low-density housing.

14 [clapping] The answer to this problem is not
15 Mandatory Inclusionary Housing, the answer is new,
16 sensible public housing; that's why we call ourselves
17 the Fiorello Homes for the Homeless; 150,000 units
18 built under Robert Moses and under Mayor LaGuardia;
19 now the Mayor wants to infill those projects, take
20 away the parking lots, take away the recreation
21 areas, take away the gardens and put in so-called
22 affordable housing, where most of the people -- and
23 when I was up in East 93rd Street a week ago, when
24 the people said, and they turned their faces in
25 shock, who among us has \$46,000 that we can afford to

1
2 get into this supposed affordable housing and it's
3 gonna be right within yards of where we live? This
4 is disgraceful. We are the richest city in the
5 world. When I worked for the New York City Youth
6 Bureau under Ed Koch, we were shocked when we heard
7 there was 3470 homeless families in New York City
8 when it was on the brink of bankruptcy; we have
9 15,000 [bell] families living in shelters right now,
10 22,000 children and we expect them to do well in the
11 classroom. What are we thinking? Where is the
12 logic? We have lost common sense, and I'll make this
13 very short. A friend of mine comin' up the steps
14 when I taught at Aviation High School; I said to Joe,
15 "Why didn't you tell me our best friend died?" And
16 he said... [interpose]

17 CHAIRPERSON RICHARDS: Gonna ask you to
18 wrap up.

19 GERRY FROHNHOEFER: basically, "Who's our
20 best friend; our best friend we lost in common
21 sense."

22 CHAIRPERSON RICHARDS: Alrighty, just to
23 make sure... just show for the record that that \$5 went
24 back in his pocket. [laughter] Don't want any false
25

1 stories comin' out. Alrighty. Alrighty, we're gonna
2 go to the next.
3

4 MICHELLE NEUGEBAUER: Thank you. Good
5 evening, Council Members; my name is Michelle
6 Neugebauer and I'm the Executive Director of the
7 Cypress Hills Local Development Corporation; we're a
8 32-year-old not-for-profit community development
9 organization and settlement house that services the
10 Cypress Hills, East New York neighborhood; we serve
11 10,000 people a year and we develop truly affordable
12 housing. Our community right now is undergoing a
13 public review process named the East New York
14 Rezoning Plan. DCP is proposing transformational
15 density increases in our neighborhood of 180% along
16 Fulton Street, between 260% and 620% density
17 increases along Atlantic Avenue, including changes of
18 land uses from manufacturing to residential-
19 commercial; MIH option 1 is proposed for our
20 community -- 25% at 60%. We feel strongly that 60%
21 of AMI is just too high for East New York, given that
22 the average income of neighborhood residents is at
23 40% of AMI. Furthermore, 40% of families in the
24 rezone area earn less than \$25,000 a year and 26%
25 earn less than \$15,000 a year.

1 As the first neighborhood in which MIH
2 will take effect, we are asking the City to establish
3 the precise amount of housing that will be available
4 at our local AMI of \$34,000. We encourage the City
5 to develop an alternative MIH option that specifies a
6 precise income breakdown that is reflective of truly
7 the incomes of the people that live in the
8 neighborhood now. A lower MIH option, the one
9 proposed by ANHD of 30% of the units at 30% of AMI
10 would provide a much firmer, stronger foundation for
11 the East New York rezoning by guaranteeing a larger
12 share of apartments that would be permanently
13 affordable at income levels that reflect who lives in
14 our neighborhood now.

16 We've heard a lot today about the
17 toolbox, the City's toolbox for addressing the
18 affordable housing crisis; in East New Yorkers'
19 viewpoint, that toolbox is woefully inadequate to
20 even bring before you the East New York rezoning. We
21 need a deeper AMI MIH option, we need more affordable
22 units, strong anti-displacement policies, a robust
23 package of preservation strategies for the small
24 homes that predominate the neighborhood, local
25 hiring, and finally, accountability. We appreciate

1 the Council's advocacy in retooling the City's
2 toolbox; keep up the good work.

3
4 CHAIRPERSON RICHARDS: Thank you. You
5 beat us to the ZQA hearing tomorrow. Thank you.

6 MARIKA DIAS: Good evening everyone. My
7 name is Marika Dias; I work at Legal Services NYC and
8 I direct our Anti-Displacement Project and as part of
9 that oversee our citywide work in neighborhoods that
10 are slated for rezoning. And you know, as an
11 organization that is fighting day in and day out for
12 low-income tenants living in neighborhoods slated for
13 rezoning, we share and we definitely applaud the
14 administration's objective of promoting and
15 preserving affordable housing in these neighborhoods
16 and citywide, but we're deeply concerned however that
17 this goal is simply not going to be realized based on
18 the current MIH proposal.

19 In the past year, as you all will know,
20 Legal Services NYC and other legal services providers
21 citywide have received unprecedented City funding to
22 really dramatically increase our provision of tenant
23 protection services in these neighborhoods that are
24 slated for rezoning. And you know, to that extent
25 we've already been able to have a really great impact

1 on thousands of low-income area residents, but
2 unfortunately our impact on these communities can't
3 extend to saving apartments for unregulated tenants
4 who are lawfully taken to court once their lease has
5 expired and in East New York that's a lot of tenants.
6 And legal services alone, it's not a preservation
7 plan, for one, but it simply cannot counteract market
8 forces that will price out low-income tenants and
9 make it impossible for them to find affordable
10 housing in their current neighborhoods when they're
11 displaced or when they need differently-sized
12 housing.
13

14 And so for this reason we're concerned
15 that any MIH initiative really needs to result in the
16 creation of affordable housing that; one, is
17 sufficient in number to offset the potential
18 displacement that you cause by rezoning and we don't
19 see the current MIH proposing as doing that. And
20 secondly, we are insistent that any MIH initiative
21 really needs to be within the economic reach of the
22 families based on neighborhood-specific AMI levels
23 and the families that are most affected when you
24 don't do that are the families that we work with, the
25 low-income tenants that are priced out of the

1 neighborhood and that will be priced out of the MIH
2 initiative, based on the kind of band that the
3 administration was proposing this morning, even if
4 you do have a band where 60% is your minimum when you
5 have 73% of tenants in say East New York, for
6 example, being below 50% of AMI, you're not hitting
7 those tenants with a 60% median.

8
9 And you know finally, just to conclude,
10 we were definitely very interested in the
11 administration's testimony this morning; in
12 particular the testimony regarding their concerns
13 about the constitutionality of expanding a proposal
14 to include, really hit that lower-income bracket and
15 you know, as the biggest civil legal services
16 provider in this city, we would really welcome the
17 opportunity to address those concerns, because I
18 think that question about the constitutionality is up
19 for grabs and I don't think anyone [bell] wants to
20 have the conversation about the takings clause [sic]
21 here and now at this late hour, but it is something
22 that we believe we could address if given the
23 opportunity.

24 CHAIRPERSON RICHARDS: Thank you so much
25 for all your testimony and we couldn't agree more

1 with you with the East New York plan and MIH
2 recommendations. We'll be certainly working through
3 that -- continuing to work through that with Council
4 Member Espinal and Barron, but we also look forward
5 to continuing to work with the local community to
6 come up with the plan that is the best for East New
7 York, so I thank you all for your testimony.

9 MARIKA DIAS: Thank you.

10 CHAIRPERSON RICHARDS: Thank you.

11 Alrighty, I'm going to read through all of the names
12 here, 'cause I think we're down to our last panel.
13 Enrique Escolar [sp?], CVH, Community Voices Heard.
14 Jeanie Dumay [sic]... [background comment] Duval?
15 Dubnau, RENA... [background comments]. Jeannie
16 Goldsmith, I believe, number 152. Henry Euler,
17 Auburndale Improvement Association. Christabel
18 Gough, number 127. Did I say that right?
19 [background comments] Christabel Gough. 'Kay. John
20 Compass, NYCC. [background comments] Keith Brooks,
21 number 175. [background comments] Alright, we're
22 goin' through the numbers, sir; we're hoppin' around.
23 You were the next one, look at that. Julius
24 [background comment] Tajiddin, Preserve Harlem's
25 Legacy, number 153. Harim [sp?] Kim, 155. Moses, We

1 the People, number 151. Carol Crump, East Village
2 Community Coalition, number 162. Cher Carden, Met
3 Council on Housing, number 163. Estevan Nembhard
4 [sp?], number 164. Paula Gloria Kaplan, number 165.
5 Pedro Diaz, West Side Neighborhood Alliance, number
6 171. Katherine O'Sullivan, Moving Forward Unidos...
7 United, number 172. Deborah Howard, Impact Brooklyn,
8 number 173. Steve Cooper from my district, not here.
9 Alrighty, this is the final panel. Anybody else
10 signed up to testify? This is your moment.
11 Alrighty. If not, you are the last, but may the last
12 be the first panel. So you may begin.

14 JEANIE DUBNAU: Hello. My name is Jeanie
15 Dubnau; I'm with an organization, RENA, Riverside
16 Edgecombe Neighborhood Association in Washington
17 Heights. We're part of a coalition that formed
18 recently in response to this whole MIH/ZQA issue and
19 the coalition is called Northern Manhattan Is Not For
20 Sale: United for Housing and Jobs.

21 So I wish to tell you; last night we had
22 a meeting and Tiffany was part of that meeting, the
23 lady who was here from Centro Altagracia de Fe Y
24 Justicia, with over 200 people in the Isabella Home
25 on 191st Street. I can tell you -- now first of all

1 that -- I must say, as a working person I'm really
2 disappointed; not to blame you folks who are here;
3 disappointed that this hearing was held during
4 working hours when most New Yorkers cannot come; the
5 only people for whom this is very convenient are City
6 officials and people like that. So now we're left
7 with what, two, two City Council people; I think the
8 rest of you are law... oh this... okay, some of them were
9 lawyers. Okay.

11 CHAIRPERSON RICHARDS: In all fairness
12 though, if we started this at seven...

13 JEANIE DUBNAU: I understand... I
14 understand... [crosstalk]

15 CHAIRPERSON RICHARDS: we would be here
16 till 5 a.m. and...

17 JEANIE DUBNAU: but however... [crosstalk]

18 CHAIRPERSON RICHARDS: and I have a
19 newborn, so I don't think my wife would appreciate
20 that... [crosstalk]

21 JEANIE DUBNAU: No, no, no, I'm not... I'm
22 not... I'm not, you know, dissing you that way; I'm
23 just saying that there should've been a longer... many,
24 many evenings set for this, because there are a lot
25 of people who need to speak up.

2 Last night at that meeting those 200
3 people from Inwood, Washington Heights and West
4 Harlem I can tell you they are furious at this plan;
5 this is -- and I won't repeat what everybody else
6 said because it's true for our neighborhood; it's
7 completely unaffordable for people in our
8 neighborhood, they all rejected it, they all are
9 furious and they know that the gentrification that's
10 already going on in our neighborhood, the shops that
11 are closing down, the small businesses, people being
12 thrown out of their apartments, people on
13 preferential rent; I don't need to tell you,
14 Mr. Johnson, 'cause you were up there -- yeah, we
15 were arrested together up in Albany on this issue, so
16 we're losing affordable apartments... [interpose]

17 COUNCIL MEMBER JOHNSON: In the name of
18 rent regulation and rent control.

19 [laughter]

20 COUNCIL MEMBER JOHNSON: Right?

21 JEANIE DUBNAU: Oh yes. Yes. Yes.

22 COUNCIL MEMBER JOHNSON: Okay, good.

23 Thanks.

24 JEANIE DUBNAU: So this is going to
25 further, further gentrify our neighborhood, which

1 can't -- it's just is intolerable. I'm telling you,
2 people can't take it anymore; the housing situation
3 has gotten to such a crisis in this city that people
4 are rising up and uniting that haven't been united
5 and haven't been talking for years and years and
6 years and now finally we're seeing that people all
7 over the city of New York are uniting and saying no
8 to this MIH. [bell] Now I'm worried, I'm very
9 worried that even the best-meaning City Council
10 people, and I assume that you're all very well-
11 meaning and want to do the right thing, are going to
12 tweak it here and tweak it there and you'll assure us
13 that this is going to be better, some tiny little
14 improvements will be made, but the bottom line is,
15 it's in the hands of the developers and like
16 somebody, the professor, who spoke a little while
17 ago, this makes no sense, this is completely
18 illogical, developers are in it to make the money; if
19 they can't make money they won't do it, so this
20 should be in the hands of the government, we need
21 public housing; I mean that's the bottom line, you
22 know. And we can tweak here, we can tweak there; I
23 really don't think this can be improved to the extent
24
25

2 that the developers will allow it. So please no, we
3 ask you vote no on the MIH and ZQA.

4 CHAIRPERSON RICHARDS: Thank you so much
5 for your testimony. And I just wanna note that we
6 certainly put that message out; I was willing to stay
7 here however long it took, even if people wanted to
8 come after work and I know many of our colleagues, I
9 know Chair Greenfield put that out there, Council
10 Member Johnson; I know Menchaca was... oh, Menchaca's
11 here; went from left to right, but we are committed,
12 this Council was committed and tomorrow we will
13 return for a similar hearing, we'll be here as long
14 as it takes to hear from every New Yorker...

15 [crosstalk]

16 JEANIE DUBNAU: I was shocked when I came
17 in and I only saw two Council people.

18 CHAIRPERSON RICHARDS: Yeah. Well you
19 missed... if you just came in; you missed a lot of
20 action earlier. Alrighty. You may proceed.

21 CHRISTABEL GOUGH: Good evening. I'm
22 Christabel Gough; I'm not representing an
23 organization today and I'm not a victim of City
24 housing policies, but I'm very disappointed and very

2 angry about the administration's housing policies, so
3 I thought I would just come down and say that.

4 I would like to congratulate the Council...
5 [interpose]

6 CHAIR GREENFIELD: Ma'am, if you don't
7 mind my asking; where are you from?

8 CHRISTABEL GOUGH: Where am I from?

9 CHAIR GREENFIELD: Just which
10 neighborhood are you from?

11 CHRISTABEL GOUGH: Tudor City Place...

12 CHAIR GREENFIELD: Okay, great. Thank
13 you.

14 CHRISTABEL GOUGH: Mr. Garodnick's
15 district. I would like to congratulate the Council
16 on its no action position on the Carriage Horse
17 proposal and suggest that MIH has much in common with
18 that initiative; the same source, perhaps a
19 comparable political agenda, the same sloppy research
20 and drafting and the same failure to provide a real
21 public benefit. A genuine definition of the
22 affordable housing the administration loves to talk
23 about should not be based on complex modifications of
24 the area median income, a clumsy bureaucratic tool.
25 Affordable housing that deserves that name should be

1 based on real data about real people living in the
2 real neighborhood where the so-called affordable
3 projects will be built. The census, track by track,
4 provides population and income data that should be
5 used, it should be used. If modifications of the MIH
6 exceed the scope of City Planning's environmental
7 review, a much-needed new environmental review can be
8 undertaken which will perhaps look at all the income
9 levels.
10

11 The Council has the power and we trust
12 the Council will use it. Thank you.

13 [background comments]

14 CHAIR GREENFIELD: Press the button.

15 JULIUS TAJIDDIN: No developer in New
16 York City builds housing without some government
17 subsidy, even if they are building as-of-right.

18 Good evening everyone, my name is Julius
19 Tajiddin; I'm the Founder of Preserve Harlem's
20 Legacy, a grassroots organization dedicated to
21 preserving Harlem's legacy.

22 What is left out of most zoning plans is
23 community board involvement; we talk about ways to
24 enforce the zoning law; I can see no reason why a
25 time schedule, a condition schedule or other

1 condition cannot involve community boards in a
2 concrete and meaningful way. In other words, the
3 community boards will have oversight, be the
4 watchdog, if you will, and be able to report a breach
5 of condition to the appropriate agency or body;
6 thereafter City Council can have the power to rescind
7 a zoning benefit. We can't have a zoning plan that
8 doesn't think something will happen or probably won't
9 happen; we have to know what will happen.

11 The affordable housing phrase almost got
12 wiped out 9 years ago when myself and two other
13 colleagues coined the term known as "income-targeted
14 housing," our Councilwoman of the 9th District
15 embraced it, former HPD Commissioner Shaun Donovan
16 embraced it.

17 What is income-targeted housing? Income-
18 targeted housing is the development of ULURP-process
19 housing geared toward the income levels within a
20 desired community, particularly, a community board.
21 So if you have 40% of your community board residents
22 at low-income, then you're gonna have to factor in
23 low-income housing that caters to that 40%. I do
24 understand that income-targeted housing can be
25 complex, but since the City didn't try to make it

1 work, our housing stock became unbalanced and the
2 train is out the gate running full speed ahead and
3 displacement of extremely low-income, low-income and
4 middle-income residents will inevitably happen unless
5 we do something.

6
7 So that something is a 50-25-25% housing
8 model that comes close to the income-targeted housing
9 model; 50% can be geared toward upper- and middle-
10 income; 25% can be geared toward moderate-income, and
11 25% can be geared toward low- and extremely low-
12 income. We have enough developers who can build that
13 model, trust me, or we can create them. Mr. Donovan
14 warned the City that such a model was necessary to
15 preserve our diverse city.

16 Lastly, I want to state that historic
17 districts, recently rezoned districts, such as the
18 125th Street Special District, should be taken off
19 the table; to include them would be the biggest bane
20 and switch scam; communities fought against the City
21 tooth and nail on these zonings and such zonings are
22 what they are. The 125th Street district has turned
23 out to be beneficial; Councilwoman Inez Dickens
24 [bell] and I fought against each other head to head,
25 but something was created, so we don't want that

1 zoning disturbed, it would be unfair. We can't have
2 gigantic developers and their families waiting for
3 people like me to get worn out or die and then switch
4 up. Our communities deserve to have the benefits
5 created by their forebears, otherwise the people
6 won't ever trust the government and eventually the
7 people will look for ways to abolish such
8 governments. And the same way that the City builds
9 housing for rich people to move into New York City,
10 which can be from all over the world, the City should
11 encourage housing for other income groups, allowing
12 them the opportunity to move into the city or
13 certainly stay.

14
15 And I wanna just bring these FYI points.
16 Higher density doesn't... [interpose]

17 CHAIRPERSON RICHARDS: If you can wrap
18 up. If you can start to wrap up.

19 JULIUS TAJIDDIN: I am. Higher density
20 doesn't equate plurality stabilization, meaning, why
21 should a community enjoying a plurality majority give
22 up its political power. Another FYI -- San Francisco
23 doesn't have a poverty level like us and neither does
24 Massachusetts. Last FYI -- An 80/20 is a form of
25 MIH; this MIH is just another way of saying 75/25 as

1
2 opposed to 80/20; that formula does not catch up with
3 the high percentage of inflation; it's 80/20 for
4 decades; inflation has quadrupled since then. A
5 75/25 formula is not appropriate for this day and age
6 under these circumstances.

7 CHAIRPERSON RICHARDS: Thank you so much.
8 Can you just... [interpose]

9 JULIUS TAJIDDIN: Yeah, I'm gonna...

10 CHAIRPERSON RICHARDS: sum up very quick
11 what AMIs would be acceptable, just a very quick.

12 JULIUS TAJIDDIN: Well you know, any
13 developer can get some type of tax credit, a low-
14 income tax credit...

15 CHAIRPERSON RICHARDS: Uhm-hm.

16 JULIUS TAJIDDIN: if they do 60% or lower
17 of the AMI; AMI in this district is \$87,000 or
18 thereabouts, so they're gonna go for that, everyone's
19 gonna try to get some type of benefit from the
20 government. So the AMI that we're referring to is an
21 AMI that will deal with -- clump middle- and high-
22 income together in the 50% and then do 25% moderate-
23 income, which is around \$43,000 or thereabouts and a
24 little above or whatever, and then do the other 25%
25 low-income and extremely low-income. This way you

2 know you have some type of model and then you start
3 tweaking that based on the community needs, but it
4 should really be community-driven and if it's too
5 complex to understand, then that's the model that
6 Shaun Donovan agreed with us at Community Board 10,
7 that this would be a perfect model to preserve the
8 communities in the city.

9 CHAIRPERSON RICHARDS: Thank you so much.
10 We're gonna go to Council Member Johnson. You as
11 well, if you can just go through that as well; you
12 had a lot of things to say. Is there any AMI in MIH
13 that would work for RENA?

14 JEANIE DUBNAU: For Northern Manhatt the...

15 CHAIRPERSON RICHARDS: Yeah.

16 JEANIE DUBNAU: the only thing that would
17 really work is if we had the entire, like at least
18 50% of the building would have to be affordable and all
19 of that would have to be for people below \$37,000,
20 which is the AMI for that district. So 50% of the
21 people earn less than that, so that's a huge num... and
22 they're the ones that are rent-burdened. And the
23 other point is, that it has to be permanently
24 affordable for the life of the building and I had a
25 discussion with somebody from HPD who came to a

1 meeting that we had in Inwood that was organized by
2 Councilman Ydanis Rodriguez and the HPD person said,
3 "Oh, this is about the Inwood rezoning. Oh don't
4 worry, because HPD will subsidize this, HPD will
5 subsidize it." I said, "Well what happens if HPD's
6 budget gets cut?" "Oh no, that won't happen." Now
7 come on, you know, we've seen budgets cut all over
8 the place, so we have to have some kind of serious
9 guarantee... [crosstalk]

11 CHAIRPERSON RICHARDS: Uhm-hm. Okay.

12 JEANIE DUBNAU: Serious guarantee.

13 CHAIRPERSON RICHARDS: Thank you. If you
14 wanna add to that, ma'am.

15 CHRISTABEL GOUGH: Yes, I don't think
16 this is a good model for production of the kind of
17 housing we need; I think it doesn't serve at least
18 half of New Yorkers; I think you should take a
19 different approach. I mean I'm very glad that you're
20 going to make it more affordable, but it's not going
21 to be affordable for most people whatever you do.

22 CHAIRPERSON RICHARDS: Great, thank you
23 so much. We'll go to Council Member Johnson.

24 COUNCIL MEMBER JOHNSON: Jeanie, I hear
25 what you're saying and... all of you, your testimony

1 and I thank you for it. I have a question though,
2 you mentioned you just don't wanna see us tweak it
3 here and tweak it there and make some changes and
4 then vote it ahead; I think that's what's gonna
5 happen...

7 JEANIE DUBNAU: I'm worried about that.

8 COUNCIL MEMBER JOHNSON: Well I think
9 that's what's gonna happen. I think that we are
10 going to hear the public, look at the community board
11 testimony, listen to what Council Members have
12 brought up; what their constituents have said and try
13 to make some changes to give some greater
14 flexibility, deeper affordability, broader
15 affordability on all these things; I'm not sure that
16 it is -- and this is no way to dampen anything you
17 said, I'm just telling you what I think's gonna
18 happen; that we're gonna be able to put this -- I
19 shouldn't say it -- horse back in the stable because
20 I think that this is moving forward in some form or
21 fashion; the Speaker came today; she said there will
22 be changes, but it's likely to move forward. So if
23 that's the case, what are the most important things
24 we can do, and I just wanna add; what you responded
25 to Chair Richards, what I have found, and I know that

1 Chelsea and Hell's Kitchen are very different, of
2 course, and Inwood and Washington Heights and Sunset
3 Park and other places, Far Rockaway in Council Member
4 Richards' district; what we have found is when we go
5 to developers on a rezoning or on an affordable
6 housing plan, we do mixed-income, we do low-income,
7 we moderate-income and we do middle-income; we do
8 AMIs at 40%, at 60% at 80% and 100% and 115% and we
9 have an economically diverse building in a
10 neighborhood, so you have people at all different
11 income levels; do you not think that's a good idea?

12
13 JEANIE DUBNAU: No, I don't think that's
14 a good idea. That point was brought up last night,
15 as a matter of fact. We have a diverse neighborhood;
16 we don't need more rich people moving into Washington
17 Heights, Inwood and West Harlem; that's not
18 diversity. Diversity is people who need their
19 apartments to -- It's insulting, actually, to say oh,
20 we need to diversify your neighborhood because we
21 need to bring more wealthy people... [crosstalk]

22 COUNCIL MEMBER JOHNSON: No, no. Jeanie,
23 I wasn't talking about your neighborhood; I was
24 saying... [interpose]

2 JEANIE DUBNAU: Or in general, in...

3 [interpose]

4 COUNCIL MEMBER JOHNSON: No, but in
5 Chelsea, if you have someone -- in my neighborhood, I
6 live in Chelsea..

7 JEANIE DUBNAU: Yeah.

8 COUNCIL MEMBER JOHNSON: so in my
9 neighborhood I live in a 319 sq. ft. studio apartment
10 and I'm not rent-stabilized or rent-controlled and
11 you know, my rent is up to \$2800 a month for a studio
12 apartment; a one-bedroom above me just went -- it's
13 not a fancy building -- just went for \$3800 a month..

14 [crosstalk]

15 JEANIE DUBNAU: Yeah.

16 COUNCIL MEMBER JOHNSON: it's insane,
17 it's crazy.. [interpose]

18 JEANIE DUBNAU: Yeah. Yeah, it's crazy.

19 COUNCIL MEMBER JOHNSON: so in certain
20 neighborhoods you actually need units that are a
21 little more moderate- and middle-income, depending on
22 what's happening in that community; depending on what
23 the AMI is in that community; that's why I think what
24 all of us have said all along, and I think you heard
25 here today, is we need some flexibility here; a one

1 size fits all solution for a big city doesn't work
2 well.

3
4 JEANIE DUBNAU: When I hear the one size
5 doesn't fit all, the way I interpret that...
6 [interpose]

7 COUNCIL MEMBER JOHNSON: Yeah.

8 JEANIE DUBNAU: is to say, you need to
9 have higher-income people in your building in order
10 to allow the developer to make his profit; that's the
11 bottom line. So my attitude is; New York City has
12 got to have a stock transfer tax on the billionaires
13 who are playing around with their money -- we pay
14 taxes every time we buy soap in the supermarket; they
15 play around and they buy and sell, buy and sell
16 stocks and there's no tax. I read about that; there
17 used to be a tax; it's not like this never happened
18 before; why can't we tax them and then we'll have
19 money for housing and then -- I mean we've gotta
20 think outside of the box... [crosstalk]

21 COUNCIL MEMBER JOHNSON: I think that's
22 exactly what Senator Sanders is proposing...

23 JEANIE DUBNAU: Exactly.

24 COUNCIL MEMBER JOHNSON: you have the
25 button on [sic]. Anyway... [crosstalk]

1 JEANIE DUBNAU: That's right.

2 COUNCIL MEMBER JOHNSON: I really
3 appreciate the three of you being here... [crosstalk]

4 JEANIE DUBNAU: But we've gotta open up
5 our minds.

6 COUNCIL MEMBER JOHNSON: I... [crosstalk]

7 JULIUS TAJIDDIN: Can I add something
8 real quick?

9 CHAIRPERSON RICHARDS: Last statement.

10 JULIUS TAJIDDIN: You know,
11 gentrification is really illegal, you know we take
12 that term and we use it like -- we can't help it, but
13 gentrification means pushing out the people who are
14 there and bringing in a new gentry and if these
15 people are people of color, you know that's
16 discrimination; that violates the Fair Housing Act
17 and no one seems to be worried about that; you're
18 worrying about not adding rich people to a community,
19 but pushing people of color out to bring in a gentry
20 that more than likely is not of your race or
21 whatever; that's unconstitutional, so we should think
22 about that too.

23 JEANIE DUBNAU: Harlem apparently is now
24 only 40% African American.
25

2 JULIUS TAJIDDIN: Yeah, but 90% of it is
3 of African descent, so that's another way of looking
4 at it.

5 COUNCIL MEMBER JOHNSON: I wanna thank
6 you for your thoughtful testimony; I don't know you
7 two, but I wanna thank you Jeanie for your decades of
8 activism and incredible work... [crosstalk]

9 JEANIE DUBNAU: Thank you.

10 COUNCIL MEMBER JOHNSON: it was very
11 liberating to get arrested with you in the capitol in
12 Albany; I think you were one of the first people who
13 got arrested that day and... [crosstalk]

14 JEANIE DUBNAU: We were one of the...

15 COUNCIL MEMBER JOHNSON: and you started
16 screaming, "Arrest me for everyone who can't be
17 here." So it's nice... [laughter] it's nice to see
18 you. Thank you for your testimony. Thank you,
19 Mr. Chair for the ability to ask questions at this
20 late hour.

21 CHAIRPERSON RICHARDS: I wanna thank
22 everyone for coming out today; I wanna especially
23 thank our Land Use Staff, Raju Mann, Amy Levitan,
24 Dylan Casey, Julie Lubin. I also would like to thank
25 Council Member Greenfield and his staff for all of

1 their work, our sergeant at arms, our police officers
2 for this day, everyone; my staff in particular,
3 Jerrel Burney's still here, Mercedes Buchanan, my
4 chief of staff. I wanna thank everyone for their
5 testimony, especially the public; it was very
6 important to hear from the public; this Council
7 wanted to give an opportunity for the public to
8 really come out and express their concerns on this
9 proposal. Tomorrow we will return at 9:30 a.m. for
10 the ZQA hearing, which I'm anticipating to go just as
11 long, if not longer and I just wanna thank the
12 administration also for coming out and certainly
13 hearing the Council, but also hearing the public as
14 well; we look forward to continuing to work with them
15 to make changes that will ensure that this is a
16 policy that is best for all New Yorkers.

18 With that being said, I just wanted to
19 let my son know I am on my way home, he is 2 months,
20 and I am requesting for him to sleep tonight so daddy
21 can be up very early again and have some stamina
22 tomorrow. With that being said, we are laying over
23 the MIH, Mandatory Inclusionary Housing Text
24 Amendment for further consideration and this hearing
25 is now closed.

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SUBCOMMITTEE ON ZONING AND FRANCHISES

[gavel]

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 February 23, 2016