

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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February 29, 2016

Start: 11:15 a.m.

Recess: 03:01 p.m.

HELD AT: Brooklyn Borough Hall  
209 Joralemon Street  
Brooklyn, NY 11201

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JUMAANE D. WILLIAMS  
Chairperson

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

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Brooklyn Borough President

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

Carmen Padilla  
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Shareholders for the Betterment of  
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Joyce Stickney  
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Female  
Resident  
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Shelly Holtzberg  
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Cadman Towers

Jasmine Askew  
Representing Adele Niederman  
President  
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## A P P E A R A N C E S (CONTINUED)

Trina Jackson Regis  
Displaced Tenant

Marion Goldberg  
Representative  
Persons with Disabilities

Male  
Resident  
Independence House

Barbara Bing  
Resident  
Lindsay Park

Zumara Pedroso  
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Lindsay Park

Carmen Ithier  
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Mitchell-Lama Residents Coalition

Helen Sulpierre  
Resident  
Amalgamated Warbasse Houses

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Kelly Matthew  
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Amalgamated Warbasse Houses

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

Monica Sturge

Member

Brooklyn Mitchell-Lama Task Force

Member

Mitchell-Lama Action and Accountability  
Coalition

Jane Lockley

Member

Mitchell-Lama Action and Accountability  
Coalition

Mary De Suze

Member

Mitchell-Lama Action and Accountability  
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Female

Resident

Linden Plaza

Richard Heitler

Representing Christine Fowley

Cooperators United for Mitchell-Lama

Female

Resident

Mitchell-Lama Co-op

Female

Resident

Mitchell-Lama Co-op

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

Stuart Ellison  
Mitchell-Lama Tenant

Gale Brewer  
Manhattan Borough President

Hally Chu  
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Manhattan Borough President's Office

Patricia Winston  
Member  
Mitchell-Lama Task Force and  
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Suzanne Mishler  
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Leslie Stewart  
Board Member  
Harry Silver Housing

Tiger Paul Schubert

Yolanda Matthews  
Resident  
Marcus Garvey Village Mitchell-Lama

[background comments]

[gavel]

CHAIRPERSON WILLIAMS: Good morning

everybody; how are you? [background comments] You guys look excited. Thank you for coming out; thank you for everybody who's in the overflow room; obviously the participation today shows how crucial and critical this topic is, so thank you everybody for coming.

My name is Jumaane Williams; I chair the Council's Committee on Housing and Buildings. I am joined today by Council Members Espinal from Brooklyn, Helen Rosenthal from Manhattan; I'm sure we'll be joined by some others as we go forward.

We wanna thank our host today, Brooklyn Borough President Eric Adams, thank you very much for allowing us to have this here and for your attention and leadership on this issue.

As you know, New York City is in the midst of an affordable housing crisis that touches every part of this city, from Brooklyn to Manhattan to Staten Island, Queens and the Bronx. As chair of this committee, my priority is to use every tool at our disposal to preserve every existing unit of true

income-targeted housing, while also ensuring that any new development, especially built with taxpayer dollars are also built with the number of affordable units needed to meet this crisis head-on.

While rents continue to skyrocket, virtually every year wages have stagnated; this means that even with New York City's average income of about \$50,000 for a household of two or more, it is extremely difficult to afford rents of \$2,000-\$3,000 and of course we know many people don't even make that much.

We face no greater test as New York City elected officials than to make sure that New Yorkers of all backgrounds, from the single mother raising her child to the police officer risking his or her life on the beat, to a recent New Yorker looking to start a new life here than to ensure that they are able to find a clean, safe, affordable place to live; that's where existing affording housing programs come into play; we've got to make sure that if these markets expire that the people don't lose their homes and that they can afford to stay in them.

One program worth examining is the Mitchell-Lama Housing, created by State Senator



Mitchell and Assembly Member Lama in 1955; this is one of the nation's pioneering programs to develop middle-income housing. Unlike public housing, where a government agency operates developments and is dependant on government funding, the Mitchell-Lama program is designed to encourage private developers to invest in housing developments that are subject to government relations. The Mitchell-Lama program offers developers low-interest mortgage loans and tax exemptions to develop rental and co-operative ownership housing.

In exchange for government assistance, the Mitchell-Lama program limits profits for owners and places income limits on households in rental developments. For co-ops, the regulation focuses on the apartment's purchase price and -- thank you -- purchase price and monthly maintenance costs. Through these subsidies and regulations, the Mitchell-Lama properties are able to operate below market rate rents. Owners of Mitchell-Lama developments have the right to withdraw from the Mitchell-Lama program by prepaying the mortgage, a process commonly referred to as buyout. Following a buyout, a development is no longer eligible for the

Mitchell-Lama tax exemption and the property is no longer subject to Mitchell-Lama's limitation on rents and profits.

From its inception until the last development was built in 1981, the program created 269 properties that contain a total of 105,000 units; however, between 2003 and 2009, the number of Mitchell-Lama developments decreased from 135 to 97 because of privatization and buyouts, these buyouts decreased the City's stock of affordable housing and have detrimental consequences for the tenants and shareholders of Mitchell-Lama developments, as well as detrimental consequences for the communities where those affordable units are lost, never to be found again.

This is the first hearing on this topic in seven years; the Committee has held three hearings in the past -- 2000, 2003 and 2009. Since the hearing in 2000, the administration, the state and the City Council have undergone several initiatives to preserve Mitchell-Lama housing.

At today's hearing we hope to learn more about the City's initiative to preserve Mitchell-Lama developments and other issues currently affecting its

residents, such as succession rights, people jumping the line, Article 11 and affordability.

I would like to thank again Brooklyn Borough President Eric Adams for hosting us today; he has chaired a task force studying these issues here in Brooklyn; he'll join me at the dais to ask questions during this hearing.

I also wanna thank this committee's ranking member, Council Member Rosie Mendez, who is the Chair of Council's Mitchell-Lama Task Force, for her work on this issue; unfortunately she was unable to attend today 'cause she's doing her civic duty on jury duty, but we wanna thank her for her leadership. She'll be making an announcement in the next couple weeks regarding the task force agenda.

At this time I'd like to yield some time to the Borough President for his opening remarks.

BROOKLYN BOROUGH PRESIDENT ADAMS: Thank you. Thank you, Councilman and I just wanted to say, even before my prepared remarks that we cannot have a better fighter and more enthusiastic around the issues of housing. Councilman Williams has done an amazing job on all areas of housing as he has really grappled with, how do we make this city in general,

1 but specifically, the Borough of Brooklyn,  
2 affordable. When you look at the rates in how  
3 housing has increased and Brooklyn has become one of  
4 the most expensive places to live, it is a real fight  
5 and you need someone who's committed, someone who's  
6 dedicated and someone who's forthright and honest  
7 about how do we ensure that this borough remains  
8 affordable and the Mitchell-Lama piece is one of the  
9 most important parts of it, and so to not only hold  
10 hearings in the sterilized environment of the City  
11 Council chamber, but to come out to the boroughs,  
12 particularly the Borough of Brooklyn, the largest  
13 borough in the City of New York, with 2.6 million  
14 people; we have to get it right in order for the rest  
15 of the city to get it right and by coming across the  
16 bridge and sitting down and hearing directly from you  
17 is a real reflection of his leadership and the  
18 leadership of the other members of the City Council  
19 who are here as we move forward with this hearing.

21 Let me say this; I say it over and over  
22 again, I spent 22 years of my life on the street  
23 corners wearing a bulletproof vest protecting the  
24 children and families of this city and I'm not going  
25 to advocate that responsibility no matter what role I

am; if it's as a police officer, state senator or your borough president; we are going to ensure that the popularity of this brand turns into prosperity for all Brooklynites and that is at the heart of this -- how did we earn the popularity of this brand and now people think we're gonna lose it because of the popularity of it and the prosperity; that is not going to happen while I'm borough president, I'm going to fight tooth and nail to ensure that you remain in the borough that you are part of and you made popular.

So again, good morning Chair Williams, and the members of the New York City Council on Housing and Buildings; thank you for the opportunity to testify and be a part of today's oversight hearing on Mitchell-Lama housing in New York City. Welcome to the Borough and Brooklyn Borough Hall; I am pleased to have partnered with the Council Member to bring the first New York City Council hearing on Mitchell-Lama and I wanna thank my task force members and Bennett Baruch, who has been organizing this and moving forward on this important hearing. The oversight hearing is timely given the challenges facing Mitchell-Lama residents as well as their

boards to ensure that one of the greatest middle-class housing success stories will endure. I thank Chair Williams for calling this important oversight hearing.

Brooklyn is home to 35 Mitchell-Lama developments, with more than 18,000 units of housing and one of the, if not the most active, Mitchell-Lama Task Force in the City. I thank the members of this task force for their dedication and time to advocate for the protection of affordable housing in our borough as well as their tenacity in advocating for this hearing today.

New York City -- we should give them a round of applause, because they have been dedicated making sure this hearing takes place -- [applause] I know you all don't allow applause, but we allow applause in Brooklyn. New York City and Brooklyn in particular, is facing an affordable housing crisis. Mayor de Blasio has set an ambitious agenda of creating and preserving affordable housing in New York City and there is no better place to focus on the preservation of these precious units than in the Mitchell-Lamas.

Unfortunately, the opposite is occurring. According to Tenants & Neighbors, since 2005, New York City has lost nearly 33,000 of this Mitchell-Lama rental stock and since 1990, eight developments in Brooklyn alone, totaling almost 4,300 units of affordable housing, have the Mitchell-Lama program. While many of these units entered into rent-stabilization, more than 1,000 entered into programs that provide vouchers but no stabilization. The popularity of the brand must turn into prosperity for all Brooklynites.

These attacks on our affordable housing stock are unacceptable and New York City Department of Housing Preservation and Development (HPD) and New York State Division of Housing and Community Renewal (DHCR) must do more to support these developments and protect the affordability for current and future residents, and not throw roadblocks to affordability through policy changes. For example, HPD continues to downsize former rental tenants who were given vouchers to pay landlords the market rates they left the program to receive. HPD must stop revising family size requirement, forcing them into smaller

spaces, and leaving the vacant apartments to revert to market rate regulations.

For too long the Mitchell-Lama portfolio has lacked funds for regular maintenance and oversight, which has led to elevators that frequently break down, rat infestations, leaks, as well as boards that have run amok -- playing their own rules instead of safeguarding the integrity of the program. HPD and DHCR have allowed housing companies to defy the rules regarding apartment allocation, financial reporting and contracting.

Furthermore, government must do more to recapture those lost units from the past 10 years.

Moving forward, there are tangible steps that must be taken to hold HPD and DHCR more accountable to protecting affordability, and these are a few of my steps and I'm going to conclude.

Hold regular oversight hearings. The City Council must hold regular oversight hearings like this one. HPD has, for far too long, not been held accountable by the New York City Council for their lack of effort to protect this important housing stock.



Better training for boards. HPD must provide better management training and education for board members. These board members are generally volunteers with busy lives, so educating them on how to best protect affordability is imperative.

Preservation through better financing. The City Housing Development Corporation (HDC) is able to provide low-cost financing for capital improvements to Mitchell-Lama developments, but DHCR does not. DHCR must also take an active role in supporting low-cost financing to protect development residents from increases in rent and/or maintenance charges.

And lastly, support for aging-in-place. Very important issue, our seniors should not be petrified; if they are going to have housing in their golden years, it should not turn to bronze after they invested in this borough. There are an estimated 400,000 people over the age of 60 living in Brooklyn, or about 16 percent of the borough's population. About 277,000 of those people are over the age of 65. It is estimated that Brooklynites over 65 will exceed 350,000 by 2020. Continuing to live in one's apartment as they age is preferable and less

expensive than a nursing home. The New York City Council should provide visiting nurse support services for Mitchell-Lamas that have a certain population of residents over the age of 65.

These are some of the few initiatives that we can do, we can do better, we are better, and I believe with the leadership of the City Council we will do better. Thank you. Thank you again, Councilman Williams.

[applause]

CHAIRPERSON WILLIAMS: Thank you again, Borough President, it's not an easy task to put these together, so I heard with the Borough President got elected, he said this will be the people's house, and again he's shown that it is and he worked with us to open this up. So thank you again, and again to those in the overflow room, I wanna make sure we give you a shout-out and so you feel just as important as those who are here, your presence here really is important.

Just to add a few more things; I was an organizer and I was also Executive Director of Tenants & Neighbors, and during that time I saw firsthand how people, unfortunately, allowed greed to continue to be more of a priority than the need for

1                   this affordable housing; I saw the buyouts, I saw  
2                   people who benefited so much from the costs that they  
3                   have, taking the money; that's the best way you can  
4                   put it, and I think it's unfortunate -- I don't wanna  
5                   look at people **[inaudible]**; you don't know what you'd  
6                   do till you're in their situation, but I do know the  
7                   program should not allow that, we have to make sure  
8                   that there are places in there that prevent people  
9                   from buying out and selling in this fashion, because  
10                  we need this type of affordable housing; I'm glad  
11                  that this administration understood that preservation  
12                  was the most important thing and preserving these  
13                  types of affordability -- we'll never build our way  
14                  out of these programs.

16                 And lastly, my hope is that at some point  
17                 we will realize that there are some communities that  
18                 are bellwethers for what's about to come. I remember  
19                 when there was gun violence when I was going to  
20                 school and there were shootings in schools like  
21                 Thomas Jefferson, nobody really paid attention till I  
22                 heard about Columbine. There were communities that  
23                 had been suffering through, in need of housing and  
24                 affordability, blacks, Latino; also poor communities  
25                 that nobody paid attention to. I'm very excited that

we're paying attention to it now; there's a Baruch poll that said, for the first time housing affordability is the number one issue, according to New York City residents, that includes people making even over \$100,000 a year; that is incredible. But hopefully we'll learn one day that there are communities who don't quite meet those tests, that are suffering long before those who do are suffering, and if we take care of those communities first, we'll take care of everybody, and so hopefully one day we'll learn that lesson.

I'd like to thank my staff for the work they did to assemble this hearing, including Nick E. Smith, my Deputy Chief of Staff and Legislative Director; Jen Wilcox and Megan Chin [sp?], Counsels to the Committee; Guillermo Patino and Jose Conde, Policy Analysts to the Committee, and Sarah Gastelum, the Committee's Finance Analyst.

Thank you also again to the Borough President and his staff, Bennett Baruch, Ryan Lynch, Anthony Drummond and my former Communications Director -- who put in "my former communications director" -- my former Communications Director, Stefan Ringel, and also, **[inaudible]** Mendez's

Legislative Director, Carolina Rivera and Brian McCollin [sp?] for Public Advocate James.

As a reminder; for those of you testifying today, please be sure to fill out a card with the sergeant. With that said, I'm going to call up repre... oh, they're already here, the representatives from the administration as our first panel -- Julie Walpert from HPD and Terri... oh, Mulherin [sp?], Terri? Yeah, Anne-Marie? [background comments] Okay; from HPD? Did you fill out... [background comments]

We've also been joined with Antonio Reynoso and Robert Cornegy. Thank you. [background comments] One second. [background comments]

Alright, also, just a reminder, as people leave, please try to squeeze in, 'cause we have people still waiting outside, so we wanna make sure we can see what seats are available.

Can you please raise your right hand? Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to council member questions?

JULIE WALPERT: Yes I do.

CHAIRPERSON WILLIAMS: You can begin at your convenience.

JULIE WALPERT: Good morning Chair Williams, Brooklyn Borough President Adams and members of the City Council. My name is Julie Walpert and I'm the Assistant Commissioner for the Division of Housing Supervision for the City of New York's Department of Housing Preservation and Development. I am joined at the table here by Terri Davis-Merchant, Senior Legislative Analyst.

I oversee HPD's Mitchell-Lama program. Thank you for the opportunity to speak with you today about HPD's oversight of this program.

Before I speak **[inaudible]** specific role with respect to City-created Mitchell-Lama developments, I think it is important for you to understand the history of the program.

As the workforce population rapidly expanded in the city in the post World War II period, there was a severe shortage of safe and sound housing to meet the needs of these families. State Senator MacNeil Mitchell and Assembly Member Alfred Lama, in response, promulgated legislation in 1955 which created Mitchell-Lama Housing under Article II of the

New York State Private Housing Finance Law. The Mitchell-Lama law provided for the establishment of both rental and cooperative housing for low- and moderate-income families.

Construction of Mitchell-Lama Housing was funded by low-cost loans from either New York City or New York State and these properties were financed in part through significant real property tax exemptions, which they continue to receive. In return for these benefits, developers and cooperators agreed to remain in the program for at least 20 years.

In addition, developers and co-op purchasers must agree to limit the return on investments they earn while participating in the program. Developers of rental housing can earn a maximum of 6 percent per year on the money they put into a development; owners of individual co-ops who sell their co-ops can only receive co-ops can only recover what they paid for the unit. Additionally, incoming residents are subject to income restrictions and have to be selected from a waiting list.

While the Mitchell-Lama program is universally considered a success today, it got off to

a slow start; it failed to attract investors because a commitment of 50 years of affordability was initially required. Requirements were lowered to 35 years, but with little uptake, requirements were lowered again to 20 years. The program produced approximately 140,000 rental and cooperative units and New York City financed and supervised 62,000 of these units.

Whether HPD or the New York State Division of Housing Community Renewal supervises the Mitchell-Lama development is determined by whether the City or the State provided the initial financing. Each agency promulgates its own rules and supervises developments independently.

Currently, HPD's Division of Housing Supervision oversees 96 developments with a total of approximately 45,000 units, with two-thirds co-op and one-third rental units.

As the supervisory agency, HPD enforces the Mitchell-Lama rules and offers technical assistance and guidance to Mitchell-Lama housing companies, but it is important to note that HPD does not provide day-to-day management of these properties or oversee the boards of directors.



Boards of directors of cooperative buildings are elected by a majority of the shareholders and are charged with a fiduciary obligation to the shareholders in the corporation. A Mitchell-Lama board of directors has wide latitude in making business and policy decisions, as long as they do not violate New York State Business Law or Mitchell-Lama rules. As a supervisory agency, HPD ensures that boards operate within these constraints.

HPD also ensures that the developments are maintained both physically and financially. HPD conducts administrative audits of Mitchell-Lama housing companies during which we review the business practices of the development; where we find deficiencies, we require corrective action. Similarly, we also conduct periodic physical inspections from cellar to roof to ensure that the properties are properly maintained. We have to supervise waiting lists and preapprove admissions, approve maintenance and rent increases and approve contracts greater than \$100,000.

Another important function we exercise is overseeing the annual cooperative election process. Elections for the boards of directors are often

contentious and HPD considers fair and open elections at Mitchell-Lamas to be very important. In order to ensure that elections are open, transparent and conducted fairly, we review all of the procedures related to an annual election. We also require that the election itself be supervised by a professional election company or the housing company's attorney or accountant. HPD does not supervise or interfere in the election itself.

The selection of a board of directors is a democratic process which by its nature stirs controversy. By making sure that all eligible shareholders who want to run have that opportunity and that the processes are fair, shareholders are able to select candidates they deem to be the best qualified.

I would now like to take the opportunity to discuss one of the highly discussed aspects of the program, namely, the privatization or buyout from the Mitchell-Lama Program.

Under State Law, a Mitchell-Lama development has the right to buy out of the program after 20 years by prepaying its mortgage; we've lost 60 city Mitchell-Lama developments, representing

approximately 18,000 units throughout the city to privatization. In the mid 2000s, it was very difficult to compete with economic returns the private market offered. During the recent recession we did not lose any Mitchell-Lama to privatization up until this past year; however, as market conditions continue to improve, we are again faced with some recent buyouts and the prospect of additional Mitchell-Lamas that are now considering buying out of the program. We want to maintain the affordability of these developments for the purpose that the housing was created. To that end, HPD has been working to find creative ways to retain these developments as affordable housing.

In partnership with our sister agency, the New York City Housing Development Corporation (HDC), we have increased the availability of loans for Mitchell-Lamas. The Mitchell-Lama Preservation Program offers loans and mortgage financing at favorable terms as an inducement for Mitchell-Lamas to remain in the program. These loans can be used for capital repairs so that the buildings can continue to address physical needs, such as elevators, heating, plants, and roof replacements.

Along with repair loans, HDC also offers engineering and technical support to ensure the work performed is of the highest quality and that the loan funds are used appropriately.

To address concerns about lack of adequate information in disclosure about the consequences of a buyout, such as the loss of property tax exemptions, we amended the rules and requirements for a cooperative to buy out. As a result of these changes, shareholders are now better informed and have more opportunities to approve or disapprove a buyout than in the past.

HPD also strengthened the rules for rental buyouts. Tenants of Mitchell-Lama rentals now receive notice of an intended buyout at least 365 days in advance and access to many corporate documents. Additionally, the owner must meet with the tenants at least 60 days prior to actually exiting the program. These requirements help to ensure that the effects of a buyout have on tenants and cooperators are fully disclosed and give tenants a chance to plan for the transition. Despite these additional provisions that ensure that residents have full information regarding privatization, under New

York State Law, owners and shareholders ultimately have the right to buy out of the program. For shareholders in the Mitchell-Lama cooperatives, New York City's ever-increasing real estate prices make exiting the program an attractive option.

Currently, a shareholder vacating an apartment at a Mitchell-Lama cooperative which remains in the program will only receive back the amount of the original purchase price. Recognizing the interest co-op owners have in privatizing in order to capture some of the increased value of their apartments, HPD created the Article II to Article XI Program. The program offers shareholders interested in privatization an alternative affordability program. The Article II to XI Program is structured so that for those looking to sell apartments, prices rise over time, but are capped below market so they will be affordable to households earning between approximately \$78,000 and \$100,000 for a family of three. In markets where the sales prices are much higher than the current Mitchell-Lama resale prices, providing some level of return, coupled with a continued tax exemption can be incentive enough for the development to opt into the Article XI program

and to retain long-term affordability. Co-ops and rental developments that opt to convert to Article XI will be subject to a regulatory agreement, continue to receive the same **[inaudible]** tax exemption as a Mitchell-Lama and will have access to HPD's and HDC's loan programs.

There are some who say that the Article II to Article XI Program is not necessary because co-ops are not at a risk of leaving the program; that sentiment does not reflect what is actually happening, and just this past year we have seen both the City Mitchell-Lama and the State Mitchell-Lama co-op privatized with a combined total of over 1,800 units; there are also a number of co-ops far along in the buyout process. We believe the Article II to XI Program is a good program which strikes the right balance, offering a way for shareholders to grow their equity, but allows these developments to remain as affordable housing for moderate-income families now and in the long-term.

Mitchell-Lama developments can also serve another important function in the Mayor's Housing Plan. Underutilized land on Mitchell-Lama developments can be a resource to develop affordable

housing; where such opportunities exist, new housing could be created and the Mitchell-Lama housing company would reap the financial benefits of developing such land, could use the proceeds of a land sale or lease to finance capital needs, thereby reducing the amount of funds it would need to borrow for such purposes, or shore up its finances so that it can keep rent or maintenance charges down.

Thank you for the opportunity to speak about the Mitchell-Lama program; we agree with you that this housing is an important affordable housing resource and welcome the opportunity to work with you more to ensure the continuation of this vital program. I would be happy to answer any questions you may have.

CHAIRPERSON WILLIAMS: Thank you very much for the testimony. I do have a few questions; then I'll allow the Borough President to ask some questions if he has and then I'll move over to my colleagues and then I'll probably have some after that, if that's okay with you.

JULIE WALPERT: That's perfect. Thank you.

CHAIRPERSON WILLIAMS: How many City-sponsored Mitchell-Lama buildings are there currently and how many units?

JULIE WALPERT: There are currently 96 developments, about 45,000 units.

CHAIRPERSON WILLIAMS: So we've lost over half?

JULIE WALPERT: We had, I think from the inception of the program, 155.

CHAIRPERSON WILLIAMS: Uhm, so almost two-thirds.

JULIE WALPERT: No, I think we lost about a third maybe.

CHAIRPERSON WILLIAMS: Third I mean, yeah. No, if we had 150,000...

JULIE WALPERT: 155 developments...

CHAIRPERSON WILLIAMS: Oh I'm sorry; how many... [crosstalk]

JULIE WALPERT: I'm sorry, in terms of number of units, actually, I think... I don't know; I don't wanna guess, but.

CHAIRPERSON WILLIAMS: Okay. How many State... [crosstalk]



JULIE WALPERT: But I'll get back to you on that.

CHAIRPERSON WILLIAMS: How many State-sponsored Mitchell-Lama buildings are there? Wait uhm... Okay. Is there any way someone can get that before the end of the hearing?

JULIE WALPERT: Before the end of the hearing? Yes.

CHAIRPERSON WILLIAMS: Yeah.

JULIE WALPERT: Not before the end of my testimony though. Okay.

CHAIRPERSON WILLIAMS: Okay. 'Cause I think we had a number; I just wanna make sure the number we have is the same number that you have.

JULIE WALPERT: What's the number you have?

CHAIRPERSON WILLIAMS: Uh... [background comments]

JULIE WALPERT: No, it... Chair Williams, I can find that out relatively easy when I get back to the office... [crosstalk]

CHAIRPERSON WILLIAMS: Okay.

JULIE WALPERT: I'll forward that to you all.

CHAIRPERSON WILLIAMS: Alright. How many State-sponsored Mitchell-Lama buildings are there and how many units?

JULIE WALPERT: I actually don't have the information on the State portfolio.

CHAIRPERSON WILLIAMS: Okay. Are there differences in the way HPD supervises developments as opposed to DHCR?

JULIE WALPERT: Yes, we have our sets of rules that were promulgated separately, so they're very similar, but there are differences.

CHAIRPERSON WILLIAMS: Can you tell me about some of the differences?

JULIE WALPERT: One primary difference is, when Mitchell-Lamas buy out of the program, for the City Mitchell-Lamas, anything that's left in the reserve accounts go back to the City's general fund and for the State Mitchell-Lama, after all of the repairs that are slated that HCR agrees to, that money then stays with the owner and the City doesn't get any of that.

CHAIRPERSON WILLIAMS: What type of information does HPD routinely review with regards to

management and operation of Mitchell-Lama developments?

JULIE WALPERT: We get monthly operating statements from the developments and I have a team of property managers that look at the individual developments. People moving into developments need preapproval prior to moving in, so I have a team of folks who preapprove applications. We review contracts that are over \$100,000, in terms of maintenance and operations.

CHAIRPERSON WILLIAMS: What authority does HPD have under the State Law regarding the management operations?

JULIE WALPERT: Well our authority is completely spelled by the State Law, it's under Article II and I think it -- I shouldn't say it's completely spelled out; it gives the agencies authority and then we spell it out more in our rules that we promulgate under Title 28 of the Rules of the City of New York.

CHAIRPERSON WILLIAMS: When it comes to the board, in particular; is there any uniform eligibility for who can be a board member; do you

1 supervise any of the elections; is there any  
2 uniformity around the board?

3 JULIE WALPERT: Well it's actually  
4 dependant on the bylaws of each individual housing  
5 company, so there are some bylaws that require that  
6 eligible shareholders be up-to-date in their  
7 maintenance and there are some others that don't  
8 require that, so when we're reviewing the election  
9 documents prior to an actual election, we review it  
10 against the bylaws to make sure that the election  
11 doesn't have requirements that the bylaws don't  
12 specify.  
13

14 CHAIRPERSON WILLIAMS: Do you have any  
15 uniformity that you present to the board if they're  
16 coming to you? Do you have uniformity of  
17 eligibility; do you have uniformity of finances; is  
18 there anything that you provide, any structure that  
19 you provide for board members of each individual...  
20 [crosstalk]

21 JULIE WALPERT: Well so in terms of an  
22 election, the uniformity that we require is that we  
23 preapprove all the election documents prior to the  
24 actual election so that... [interpose]

25 CHAIRPERSON WILLIAMS: Say that again.

JULIE WALPERT: We preapprove the election procedures prior to them actually doing the election so that we make sure that there's adequate nomination periods for people and that if there is -- they don't allow nominations from the floor, but if people didn't have sufficient time to say that they wanted to run, we make sure that eligible shareholders can run. We feel that the elections are quite contentious and that we wanna make sure that everyone is eligible and then we really deal with the boards as representative of the development, so we wanna make sure that it really is representative of the development; that people who run were chosen by a majority of the development.

CHAIRPERSON WILLIAMS: So basically you match it up against the bylaws, like you said. I just wanna be clear in my question. Does HPD provide any uniform rules for eligibility for board members?

JULIE WALPERT: No. I mean it's matched against the bylaws. The bylaws tend to be very similar across the board, that you know, people have to be -- for the most part, that people have to be residents of the development, you know and so there is some uniformity across the bylaws, but they're not

required to be -- you know, this is from the inception of the program.

CHAIRPERSON WILLIAMS: Is there board training?

JULIE WALPERT: We offered board training a number of years ago and we had a board training manual that we now give out to developments, but I'm hearing that boards need training and we've started doing training for managing agents on other topics, so we will actually look to see if we can expand that board training and have boards come into HPD and we can train them.

CHAIRPERSON WILLIAMS: Do you currently provide training and does HPD have the authority to mandate training?

JULIE WALPERT: We do not currently provide training, but when we do provide the training, you know I anticipate to make that part of our program in the future and when we do that we will require boards to come in.

CHAIRPERSON WILLIAMS: So HPD has always had the power to mandate board training?

JULIE WALPERT: Yes.

CHAIRPERSON WILLIAMS: Alright, but it just wasn't something we did?

JULIE WALPERT: Right, we did that a number of years ago.

CHAIRPERSON WILLIAMS: Why did we stop?

JULIE WALPERT: Resources.

CHAIRPERSON WILLIAMS: That's not good. Did HPD request any resources from City to continue the board training?

JULIE WALPERT: We did not, no.

CHAIRPERSON WILLIAMS: Was it mandatory when you did it a few years ago?

JULIE WALPERT: I don't know if it was mandatory or not, but when we offered it, people weren't interested, so I don't know that it had to be mandatory.

CHAIRPERSON WILLIAMS: What was the year that you stopped?

JULIE WALPERT: I'd have to get back to you; I'm sorry, I don't remember.

CHAIRPERSON WILLIAMS: I have a feeling it may have stopped right at the height when we needed it the most, actually, so I'd like to get more information about that and whatever we can do to help

mandate that kind of training, I think it's important, particularly as groups are grappling with a lot of issues and particularly with the type of autonomy that the board has. I've heard a lot of complaints about boards and it doesn't seem that they have much resources to go to in terms of how a board should operate. So I think that's gonna be a sore spot, so we have to really do better at fixing that; my guess is my colleagues are gonna have a lot more questions about that as we move forward.

Has HPD developed or are you in the process of developing a comprehensive incentive program to -- actually, let me back up on that question. Since the Committee's last hearing on this program in 2009, has HPD revised its rules with regard to these developments?

JULIE WALPERT: Since 2009, yes.

CHAIRPERSON WILLIAMS: What are some of the changes that were made?

JULIE WALPERT: I think that we -- Let me think for about it for a second.

CHAIRPERSON WILLIAMS: Sure. Take your time.

[background comments]



JULIE WALPERT: You know one major area that we've changed is to make sure that the buyout process is clear and more transparent, particularly for the co-ops; I think prior to 2009 we had cleaned up the rule process for the rentals and so I think from 2009 we started making sure that the buyout process was clear and had more shareholder votes and larger requirements for super majority votes to make sure that people -- can you hear? Okay, sorry -- that people knew what they were voting on and they would vote appropriately and to know that they were giving up a tax exemption. I mean, we are not encouraging Mitchell-Lama buyouts; we actually are very supportive of the Mitchell-Lama Program, so we're doing everything we can to make sure that that's a transparent process.

We also have included the Article II to Article XI option as part of the Mitchell-Lama rules since 2009, to make that an easier process so that Mitchell-Lamas that want to remain affordable would have this as an easier option.

CHAIRPERSON WILLIAMS: Just so we're clear, the Article XI, if you... buyout of a co-op,

it's gonna put it into rental, right; it's not a homeownership opportunity anymore?

JULIE WALPERT: No, no, absolutely not; it will remain a co-op, it will remain an affordable co-op...

CHAIRPERSON WILLIAMS: Okay.

JULIE WALPERT: and that's the whole point of this is to...

CHAIRPERSON WILLIAMS: Even in Article XI it remains...

JULIE WALPERT: Yeah, it would be an Article XI co-op...

CHAIRPERSON WILLIAMS: Okay.

JULIE WALPERT: with restrictions on resale and on incomes.

CHAIRPERSON WILLIAMS: Uhm-hm. When there's a buyout, do any particular groups of tenants, such as senior citizens, receive any special protection?

JULIE WALPERT: So it depends on actually which development, what kind developments you're talking about. So buyouts in co-ops, actually, the co-ops need to make sure that there is protections for the seniors, although I think there are some

1 Department of Finance programs that provided that,  
2 like there's a Senior Citizen Homeownership program  
3 that would take the place of the City's SCRIE  
4 program, Senior Citizen Rent Increase Exemption  
5 Program. And if there is -- what I've seen in some  
6 of the offering plans is that the development will  
7 ensure that the seniors are protected, but there's  
8 nothing that the City can do to step in, outside of  
9 the Department of Finance exemption programs.  
10

11 CHAIRPERSON WILLIAMS: Does HPD have an  
12 estimate of unprotected units that would not be  
13 subject to rent stabilization or eligible for  
14 vouchers in your program and DHCR's program?

15 JULIE WALPERT: I have the estimate for  
16 the City's portfolio. So for the rental  
17 developments, if there were buyout... there's actually  
18 only one that wouldn't be subject to rent  
19 stabilization or **[inaudible]** Section 8 Voucher and  
20 we're working very actively to get that protected  
21 into a long-term affordability program.

22 CHAIRPERSON WILLIAMS: How many units in  
23 that one building?  
24  
25

JULIE WALPERT: There's 170 units there.  
And we have other developments that are co-ops that  
are not restricted.

CHAIRPERSON WILLIAMS: How many units are  
those on a building?

JULIE WALPERT: I have a total of both  
rentals and co-ops is about 15-20 out of the  
portfolio of 96 developments that don't have  
restrictions in place.

CHAIRPERSON WILLIAMS: How many units  
does that represent?

JULIE WALPERT: I have that number; give  
me one second. I'm sorry, I have that -- I brought a  
lot of paper with me.

CHAIRPERSON WILLIAMS: It's okay; take  
your time.

JULIE WALPERT: About 7,000 units.

CHAIRPERSON WILLIAMS: About 7,000 units...  
[crosstalk]

JULIE WALPERT: But... you know some are  
actively looking to buy out and some are not at all  
actively looking to buy out and there's a whole  
range, you know, some just don't have a reason to

lock in and some have a reason not to lock in because they wanna buy out.

CHAIRPERSON WILLIAMS: How many are actively looking to buy out?

JULIE WALPERT: I have five.

CHAIRPERSON WILLIAMS: Five. And are we currently working with those five right now?

JULIE WALPERT: I tried to work with them and they are not interested; I've made presentations, I've gone out with HDC to make presentations; we brought them in, but their eye is on the prize part... [crosstalk]

CHAIRPERSON WILLIAMS: Do you know if any of the organizing groups are working with those five?

JULIE WALPERT: I actually don't know. I think they might have been; I don't think that they had much success.

CHAIRPERSON WILLIAMS: Alright. Can we get the names of those five, just so I can have it and we'd like to make sure that at least they've been contact with some of the organizing groups that do this work on the ground?

JULIE WALPERT: Sure. Should I give them now?

CHAIRPERSON WILLIAMS: If you have it, you can give it to the sergeant; that would be great.

JULIE WALPERT: Okay.

CHAIRPERSON WILLIAMS: So back to my other question; has HPD developed or are you in the process of developing a comprehensive incentive program? Or you discussed that; is there any other incentive program besides the Article II to Article XI to encourage owners to remain in the City-sponsored Mitchell-Lama Program?

JULIE WALPERT: Yes. HDC, our sister financing agency, has been very active in providing favorable interest terms and giving mortgages to a number of developments and having them lock in long-term. So right now HDC and HPD have plans to approach over 60 developments in the near future, you know, some that are locked in now, but have terms that are expiring within the next five years.

CHAIRPERSON WILLIAMS: And I know you didn't answer the last question in terms of DHCR-supervised developments; I'm assuming you don't have the information. My question is; do we not have the information because they won't give it to us or are

we just overloaded and haven't requested the information?

JULIE WALPERT: You know we have our own program and they have their own program, so they're not withholding any information, but they don't keep their information the same way we do so uhm uh... [crosstalk]

CHAIRPERSON WILLIAMS: Well wouldn't it be better if we were working together on this issue?

JULIE WALPERT: Well we each have our own set of developments and we actually -- for some of the developments in the last few years, some of the HCR-sponsored developments HDC refinanced and HPD took over supervision, so we do work together, but you know, overall -- and as we come up with affordability programs we discuss them with them as well, so I'm not sure that, you know -- I think they wanna see how successful we are with ours before they take on, but we've talked to them about that; we have a good relationship with our counterparts there.

CHAIRPERSON WILLIAMS: Do they have other tools that they're using?

JULIE WALPERT: I don't think they have different tools than we do.

CHAIRPERSON WILLIAMS: So you believe their tenants and owners are in more danger of buying out than ours are?

JULIE WALPERT: I think that we've both faced the same issues.

CHAIRPERSON WILLIAMS: Except we have more tools.

JULIE WALPERT: I think that if they see our tools are really working, then you know, they might come to us and say oh, that looks like a good program or more likely the state-sponsored Mitchell-Lamas will come and say, let's do these.

CHAIRPERSON WILLIAMS: Do we...

JULIE WALPERT: It's a very small community.

CHAIRPERSON WILLIAMS: Can we get... if you request the information I'm asking from DHCR... I guess I'm dating myself, I keep saying DHCR -- from HCR; can you fluidly get that information?

JULIE WALPERT: I mean if I ask them and they have the information readily available, they will send it to me. I'm not sure, you know in terms of how they keep their buyout information, but I think they certainly have their active portfolio, so



yes, I can get that; I'll ask them for that information and forward that on.

CHAIRPERSON WILLIAMS: Can you please get the information for me and if we can't get it fluidly, then we have to work with our state counterparts to make sure that the information's available, because we have to be working together.

Just a few more questions; I'm not gonna ask all the questions on the list, 'cause I know my colleagues have some. But can you talk about the complaint process of how a tenant or owner can file a formal complaint with HPD?

JULIE WALPERT: So there's many ways they can file a complaint; they can call us, they can e-mail me, they can e-mail... there's a Mitchell-Lama e-mail address that they can send in a complaint to; they can... I have property managers assigned to each development and they can contact the individual property managers on my staff; they can call 311... I mean I get complaints and just, you know, concerns of, alright, like where am I on a Mitchell-Lama waiting list; I get those... you know, many, many, you know, throughout the day, throughout the year, so the people can very easily contact us.

CHAIRPERSON WILLIAMS: Are these complaints tracked; are the tenants given tracking numbers?

JULIE WALPERT: When they come in -- depending on how they come in, they are tracked with different tracking numbers or, you know, so it depends on what the issue is.

CHAIRPERSON WILLIAMS: Are the complaints public?

JULIE WALPERT: You know, some are some aren't; you know sometimes the complaint is that I'm being overcharged, you know, my surcharges are too high or my income is not reported correctly and so those wouldn't be public complaints.

CHAIRPERSON WILLIAMS: Can tenant associations have access to the complaints?

JULIE WALPERT: Again, it depends on what the kinds of complaints are.

CHAIRPERSON WILLIAMS: Okay. And my last question... line of questions and then I'll go to the Public Av... I'm sorry, the Borough President.

**[inaudible]** audit mentioned that those who were next in line in the waiting list are often skipped; can you talk about any illegitimate reasons

for someone to be skipped; do you know if this occurs often; do you know if this is occurring legitimately?

JULIE WALPERT: So there are legitimate reasons for people who may be skipped in terms of the way the wait... some of our waiting lists happen to be very old; you know, people get on the list and they stay on the list for years and years, so when managing agents send out a letter notifying the person that they're next on the list, they may have moved or they may not be interested or they may not respond, you know because they've been on the list for so long and their housing needs have changed. So there are legitimate reasons why people may be skipped. But we're following up on that audit and now what we are starting to require from the managing agent is if there is a name that is skipped on the list that they on request will have to provide documentation that they sent out a letter explaining that, you know, with a return, either certified letter, you know, notification that a certified letter, that they were sent out so that we can ensure that it's not just that they were lazy and didn't feel like doing it, but that we saw that they

actually were sent, so some sort of proof that there was a mailing.

CHAIRPERSON WILLIAMS: Do you have a list of people who were skipped and why?

JULIE WALPERT: We have a... you know, by development we can see who was the next person on the list.

CHAIRPERSON WILLIAMS: Do you have a list of people who were skipped and why?

[background comments]

JULIE WALPERT: So like I said, I do have a list by development.

CHAIRPERSON WILLIAMS: And why?

JULIE WALPERT: And right, so the why might be no response... [crosstalk]

CHAIRPERSON WILLIAMS: **[inaudible]**

JULIE WALPERT: so I don't have that they moved or anything at this point.

CHAIRPERSON WILLIAMS: The list of people who were skipped over and why, including I guess no response; is that public information?

JULIE WALPERT: I actually don't know, so I would have to check with our lawyers; I just don't have that information... [crosstalk]

CHAIRPERSON WILLIAMS: Alright. That's a very critical issue; we get a lot of complaints of people who are being skipped and I think this Council very much wants to hone in on the skipping process, people who were skipped and why they were skipped. Do you have instances of complaints of people who were skipped that you're aware of?

JULIE WALPERT: where I have instances of where people were skipped we make sure that we go back and offer them the next available apartment at that development.

CHAIRPERSON WILLIAMS: Do you have a list of people who came to you and said they were skipped?

JULIE WALPERT: Yeah. Well I don't have... Wait a minute; I'm sorry. [background comments] Just to be clear, I'm not sure if you're asking directly to me or to the HPD staff.

CHAIRPERSON WILLIAMS: HPD in general... [crosstalk]

JULIE WALPERT: Right.

CHAIRPERSON WILLIAMS: somewhere...

JULIE WALPERT: So I don't keep lists of people who were skipped; I have, you know as HPD, if

someone says to me they were skipped, then we go back, but we don't keep a list of that.

CHAIRPERSON WILLIAMS: So back to my original question, there's no list of people who were skipped and why?

JULIE WALPERT: Not over the broad, general Mitchell-Lama portfolio, but by individual developments, you know, we have different lists.

CHAIRPERSON WILLIAMS: So how long would it take for you to promulgate a list of people who were skipped and why?

JULIE WALPERT: I don't know that we could do that; I'd have to check with my staff.

CHAIRPERSON WILLIAMS: That's a problem. Are you aware of the complaints of people saying they've been skipped on the list?

JULIE WALPERT: We take every complaint seriously and we investigate every complaint that we get.

CHAIRPERSON WILLIAMS: Are you aware of people complaining they've been skipped over the list?

JULIE WALPERT: Yes and when I get a complaint I take it seriously and I address that complaint.

CHAIRPERSON WILLIAMS: Do you have a list of the people who complained about being skipped over the line?

JULIE WALPERT: Again, I have lists by development of people who were -- you know, I have a waiting list and I have people who rejected or accepted the apartment offer.

CHAIRPERSON WILLIAMS: Does your answer sound as bad to you as it does to me on this side?

[background comments, cheers, clapping]

JULIE WALPERT: You know, I don't know how to answer that.

CHAIRPERSON WILLIAMS: This is obviously a problem. I know we've gotten the complaints; if you've gotten the complaints and you say you researched it; my assumption is it didn't happen one time, so I'm not sure why you would not dedicate resources to figure out if people are being skipped and why; in addition to that, it doesn't seem like you could even easily promulgate a list of people who

have either complained or been skipped, so how will  
se solve the problem?

JULIE WALPERT: So again, we make sure  
that if someone complains to us or that -- and people  
who are on the Mitchell-Lama list know that they're  
on the list and we get a lot of questions, you know  
daily of where am I on the waiting list, so... you  
know, so I don't have... so...

CHAIRPERSON WILLIAMS: Alright, this is...  
Obviously this is a point of contention here and I'm  
not sure... I'm not sure how you're planning to solve  
the problem even if you don't have a list anywhere.  
So let me ask this; do you feel that every complaint  
that you got was satisfactorily looked into and got  
to a conclusion that said that they were not  
improperly skipped?

JULIE WALPERT: So just to step back for  
a second...

CHAIRPERSON WILLIAMS: Sure.

JULIE WALPERT: we actually have  
increased our compliance in the last year; I have  
additional compliance staff that we've hired and I  
have another staff person that we're interviewing  
for, so you know, we hear this issue and we've



increased our compliance staff. I think that's... you know, that is a major piece of ours and we also are increasing our supervision of the waiting list at the time of admission so that, you know, before, when we might have just accepted a no response as a comment, we now need to make sure that's documented. So going forward, we feel much more comfortable that these issues will be addressed going forward. Going backwards, you know when I hear of a complaint and my staff hears of a complaint, we make sure that we address that.

CHAIRPERSON WILLIAMS: So for the complaints that you received about people being skipped, do you feel they were satisfactorily investigated and those people were not illegitimately skipped?

JULIE WALPERT: So for the complaints that we received, I feel that they were satisfactorily answered. If they were skipped, then we put them back on the top of the list and they get the next available apartment.

CHAIRPERSON WILLIAMS: So you may have people who were illegitimately skipped over in the process?

JULIE WALPERT: We may have and if we find that they are, then we will go back and offer them the apartment.

CHAIRPERSON WILLIAMS: Did you find out why or how they were illegitimately skipped?

JULIE WALPERT: You know again, those are very individual situations.

CHAIRPERSON WILLIAMS: So people were illegitimately skipped; we don't know why and we didn't keep a list?

JULIE WALPERT: Again, we know why for each individual situation.

CHAIRPERSON WILLIAMS: Can you give me some examples of why people were skipped, illegitimate?

JULIE WALPERT: They may have moved and not forwarded their -- what's it called -- their address and then when they find out that they weren't included or that the managing agent might not have updated their addresses. So when we see that, that oh look, they had forwarded, but the managing agent hadn't updated the records.

CHAIRPERSON WILLIAMS: Oh but the legitimately, if you really didn't put your... forward your address?

JULIE WALPERT: But they may have sent it to the managing agent and the managing agent may not have updated its records, so that would be a legitimate; right?

CHAIRPERSON WILLIAMS: Do you know if there's any malfeasance or nonfeasance associated with the line skipping?

JULIE WALPERT: I don't know of that; if there was any concern about that I would immediately forward it to the Inspector General's Office.

CHAIRPERSON WILLIAMS: Were any of the complaints... Did any of the complaints make you feel like that may have occurred?

JULIE WALPERT: You know, recently, no; I don't now, you know going back.

CHAIRPERSON WILLIAMS: Okay. So you feel that all of the skipping occurred for legitimate reasons?

JULIE WALPERT: So we are looking at this issue and we will continue to monitor it.

CHAIRPERSON WILLIAMS: How can you look at it with no list?

[background comments, clapping]

JULIE WALPERT: Again, we have a list by Mitchell-Lamas, by... [crosstalk]

CHAIRPERSON WILLIAMS: But you can't promulgate the list. You can't promulgate it, you can't pull the information.

JULIE WALPERT: If there are specific cases that you have concerns about, I would be very happy to follow up.

CHAIRPERSON WILLIAMS: Okay. Well thank you. Even this question aside, I do believe that there's a partnership here; I do believe HPD does do a lot of work and so I'm thankful for that work that's being done, but when we identify areas that need work, we've gotta work on it, and so Mitchell-Lama is one of those areas, because in the Mayor's Affordable Housing Plan, preserving is critical to that plan and so if we don't have the information that we need and we're not using all of the tools, like board training that we could've mandated a long time ago, or we're not keeping lists of particular complaints that are crucial I think is problematic,

so this is about how we fix the problem together, but we wanna make sure either the information we have it or we don't have it. So I definitely have some more questions; I'm gonna move along to the Borough President and then my colleagues have questions as well -- Reynoso, Rosenthal and Cornegy. We've been joined by Council Member Levine from Manhattan and Council Member Cumbo from the great city of Brooklyn.

COUNCIL MEMBER CORNEGY: Thank you Councilman and thank you for that line of questions. And Commissioner, you know clearly the problem has been long before your arrival, so I don't think that is any way a reflection of how well you're doing your job, but it's just a systemic problem that we're trying to rectify.

Is the list in public viewing where anyone can go and gauge where they are on the list so if their name is passed over, they can immediately know; is that in public?

JULIE WALPERT: Yes. Yes, sir...

[crosstalk]

COUNCIL MEMBER CORNEGY: So...

JULIE WALPERT: that's... there's a State law that requires the posting of the waiting list and

we periodically go out to ensure that that's being upheld.

COUNCIL MEMBER CORNEGY: Okay. And how does the person who's trying to get an apartment; how do they know about this public display of the list; is it a mailing or the time they sign up; how would they know?

JULIE WALPERT: I actually don't know how they know.

COUNCIL MEMBER CORNEGY: Okay. Alright. The battle that seems to be between HPD and HCR, are there steps taken so that we can come together and collaborate as a unit to resolve the housing issue, particularly with Mitchell-Lama?

JULIE WALPERT: Right. So thankfully, I'm below that level of the battle and I have a very good relationship with my counterparts at HCR for the Mitchell-Lama Program.

COUNCIL MEMBER CORNEGY: Are there -- and just lastly, so we can let the other council members -- are there some specific steps you believe we should take to do a better job in dealing with the Mitchell-Lama crisis, one; two, do we do a forecasting of those units that people are thinking

about doing a buyout so that we're not faced with it once it's upon us?

JULIE WALPERT: In terms of the buyout piece, you know we're constantly looking at the list and we were actually able in the late 2000s to work with HDC and lock in a number of Mitchell... or actually, in the early 2000s to lock in a number of Mitchell-Lamas, so there's definitely a crisis and we are looking at Mitchell-Lama co-ops that are looking at buying out, but we feel like we're in a much better position now than we were in the early 2000s, when now we have almost 70 developments locked in, so we're in a much better position now than we ever were.

COUNCIL MEMBER CORNEGY: Any recommendations that you think that we can do as electeds [sic] to improve on the program?

JULIE WALPERT: Thank you for that offer; I think, you know, just encouraging the Mitchell-Lamas just to remain in the program and to remain affordable is great; I mean like that's where we are and that's what our biggest focus is right now.

COUNCIL MEMBER REYNOSO: Thank you, Borough President; extremely grateful for you

1                   allowing us to come back to our home, as usual, and  
2                   thank you for your leadership. I wanna thank Bennett  
3                   Baruch from your office as well for organizing the  
4                   event and my organizer, Kevin Worthington and a big  
5                   shout-out to Lindsay Park, anyone that's here from  
6                   Lindsay Park, thank you guys for being here always  
7                   showing support and just know that I'm always gonna  
8                   be here trying to make sure that we can maintain the  
9                   level of sustainability and affordability in that  
10                  site.  
11

12                  So Commissioner, I'm gonna go through  
13                  three things that I'm hoping -- affordability,  
14                  accountability and democracy. Currently, is Lindsay  
15                  Park in any debt that you know of?

16                  JULIE WALPERT: Is in any debt?

17                  COUNCIL MEMBER REYNOSO: Yes.

18                  JULIE WALPERT: Yes.

19                  COUNCIL MEMBER REYNOSO: How much?

20                  JULIE WALPERT: I believe they have \$100  
21                  million mortgage in arrears.

22                  COUNCIL MEMBER REYNOSO: And would it be  
23                  fair to say that you guys are looking to approve  
24                  another \$60 million worth of debt on top of that one?  
25



JULIE WALPERT: What we're looking to do actually is to refinance the entire development, the debt on the development, in order to provide for needed capital work for health and safety reasons, so we are looking at restructuring that \$100 million so to make it longer term; not continuing to accrue interest, so we're actually looking to put Lindsay Park in a sounder, healthier position, both physically and financially; by restructuring the debt they'll be... [interpose]

COUNCIL MEMBER REYNOSO: And adding addition...

JULIE WALPERT: they'll be financially better and physically there's health and safety issues that we need to have addressed.

COUNCIL MEMBER REYNOSO: And you're gonna do that by adding additional debt to that site, \$60 million?

JULIE WALPERT: Yes.

COUNCIL MEMBER REYNOSO: So what are the consequences to giving a loan that a Mitchell-Lama wouldn't be able to pay?

JULIE WALPERT: Well...

COUNCIL MEMBER REYNOSO: 'Cause if you were to buy a house and you go to a bank and you can't pay \$100 million, they wouldn't give you another \$60 million loan because they know you probably can't pay the \$60 million either, so just adding bad debt on top of bad debt, I just feel like it's predatory to a certain degree. What are the consequences to Lindsay Park if they cannot pay their \$160 million new debt?

JULIE WALPERT: Well... [background comments] right. So just to be very clear, we're structuring this deal so that Lindsay Park can pay it; the \$100 million will not be due and we're actually putting them in a better financial position because of the way the debt is structured. HDC is offering favorable loan terms and making sure that the debt that they're putting on can be paid. You know the \$100 million will not be due and accruing, so we're actually... [interpose]

COUNCIL MEMBER REYNOSO: So...

JULIE WALPERT: structuring this in such a way with HDC so ensure that the development will not go into default.

COUNCIL MEMBER REYNOSO: So out of the \$100 million... are they paying the \$100 million debt down, the current debt that they have or debt, I'm sorry, that they have?

JULIE WALPERT: They are not paying that...

COUNCIL MEMBER REYNOSO: So they're not paying their \$100 million, so you figure you'd give them another \$60 million and they'll be able to do that? I just don't understand the math, looking at it like very clearly. So for how long have they not paid the \$100 million?

JULIE WALPERT: Well the \$100 million actually is an accruing debt, so and I... [crosstalk]

COUNCIL MEMBER REYNOSO: An accrue debt from... so... [crosstalk]

JULIE WALPERT: Wait... so you know there was... again, this very much predates me, but there were issues in terms of from the inception that the... [crosstalk]

COUNCIL MEMBER REYNOSO: How long have you been with HPD, working with Mitchell-Lamas?

JULIE WALPERT: About 15-20 years.

[background comments]

COUNCIL MEMBER REYNOSO: Okay. So this  
is... [crosstalk]

JULIE WALPERT: but this predates me.

COUNCIL MEMBER REYNOSO: I wanna be perf...  
But I still wanna be perfectly clear to the Borough  
President that you're not just here for the last two  
years; you've been doing this for a long time; even  
if it predates you, I hope that you would've taken  
steps and measures to rectify the mistakes of the  
past, but what I see here is that you're just  
continuing to add on and pile on more debt to a  
Mitchell-Lama development that can't pay their debt  
and is falling out of affordability. So I just wanna  
make sure that publicly today you know that I'm not  
gonna allow for Lindsay Park to fall into more debt  
that they can't pay because you think it's the right  
thing to do.

[cheers, background comments, clapping]

[gavel]

CHAIRPERSON WILLIAMS: Alright, so we've  
gotta... we've gotta do this.

COUNCIL MEMBER REYNOSO: Democracy --  
Have bylaws ever jeopardized the long-term  
sustainability of many of these programs?

JULIE WALPERT: Not that I know of, sir.

COUNCIL MEMBER REYNOSO: So boards are not making decisions that are jeopardizing the sustainability of any of these Mitchell-Lamas?

[background comments]

JULIE WALPERT: Again, without the specifics, it's hard to answer what you're saying, but from what I know, no.

COUNCIL MEMBER REYNOSO: Okay. So I wanna talk about bylaws and just to... [bell] I want a second round if I get the opportunity, because there's a lot of questions that need to be answered here that are not being answered by HPD and for 15-20 years of experience, a lot of these people need answers and the way they operate in their Mitchell-Lamas is that they -- a lot of times -- they get the same type of responses from the Board that we're getting from them and as City Council Members, we have to hold them to a higher standard and they need to be able to answer questions for these people to know the answers to and they're not doing that and I wanna get another round of questions, but I at least wanna ask -- the waiting list situation; in Mitchell-Lama development the waiting list is a majority one

demographic, but it has exclusively, for quite some time, gone to another demographic, right, and if that didn't raise a red flag for HPD; what oversight are you doing? If 90 percent of the apartments are going to one demographic that is not the majority or the prominent demographic on a waiting list; what do you do when that happens; what oversight do you apply?

JULIE WALPERT: When the lottery was drawn we oversought the lottery and the requirement of a Mitchell-Lama is that when they advertise for a lottery that they advertise in two major newspapers of publication and two newspapers of a minority that are not represented in the current population.

COUNCIL MEMBER REYNOSO: Two percent [sic]. So what I'm saying is -- I'm gonna just throw some numbers out so they can be clear -- is 70% of the waiting list is one demographic, but 70% of the apartments are going to another demographic, specifically; does that not raise a red flag for you and what do you do to be an overseer and try to make sure that everything is up to snuff there; what have you done?

JULIE WALPERT: We do not look at people's ethnicity when we are looking at whether or not they're the next person on the waiting list.

COUNCIL MEMBER REYNOSO: Alright, so...

CHAIRPERSON WILLIAMS: Alright, we'll do a second round...

COUNCIL MEMBER REYNOSO: Thank you.

CHAIRPERSON WILLIAMS: I do... what's frustrating though is even though if you don't look at ethnicity, it doesn't feel like you've even looked clearly at the line-jumping, so I think if you would've looked clearly at the line-jumping you would've seen what the Council Member is talking about.

So every council member is gonna get five minutes; we will have a second round. [background comment] Next we have... no... [background comment] Council Member Rosenthal; then Cornegy, Reynoso; we've been joined by Council Member Ulrich.

COUNCIL MEMBER ROSENTHAL: Okay. Thank you very much, Chair Williams. And Julie, I appreciate your being here; you work really hard in my district to deal with all these problems; we have so many of the same problems that Council Member

Reynoso is talking about, so I have appreciated your work.

Can I just make sure I get the numbers right? So 96 remaining and they're all City, so it doesn't include the State's... [interpose]

JULIE WALPERT: It does not include the State portfolio... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Right. Okay. And 70 are locked in, which means they're now in an Article XI?

JULIE WALPERT: No, no, they are still all Mitchell-Lama, Article II Mitchell-Lama developments and they're locked in for a range of years.

COUNCIL MEMBER ROSENTHAL: Okay. And 20 don't have any restrictions and 5 are actively buying out?

JULIE WALPERT: Five of those 20.

COUNCIL MEMBER ROSENTHAL: Five of the 20. Oh, so that would total 90. I'm trying to get [inaudible]... [crosstalk]

JULIE WALPERT: N, no, so we have 96...

COUNCIL MEMBER ROSENTHAL: Right.



JULIE WALPERT: so of the 15-20 that don't have restrictions, 5 of those are actively looking to buy out.

COUNCIL MEMBER ROSENTHAL: Okay. I'm not quite getting to 96, but I don't think it matters.

So how many Mitchell-Lamas have taken you upon the offer of Article II to Article XI?

JULIE WALPERT: We've had one rental and we have one co-op that is interested in pursuing the option.

COUNCIL MEMBER ROSENTHAL: Okay, so one rental has done it and one is in the pipeline?

JULIE WALPERT: And one co-op is just starting the process.

COUNCIL MEMBER ROSENTHAL: Oh okay. How many in the pipeline do you think there could be?

JULIE WALPERT: That's an excellent question. You know what; I'd like to look at the portfolio a little more carefully.

COUNCIL MEMBER ROSENTHAL: That's fine. The reason I ask is because I think what you're hearing up here is a lot of... a big desire to get engaged with the ones where there are opportunity, so you know if we have to let the five go, 'cause

1 they're actively buying out, although I like Council  
2 Member Williams' point that maybe they can still get  
3 in there and tenants, neighbors and other groups have  
4 been amazing on that; what I'm interested in, and  
5 maybe I guess I'm looking for the whole package of, I  
6 guess the remaining 90 or 95; I'm interested in  
7 looking at the whole package by council member  
8 district and wondering if we could be helpful  
9 advocates with you to keep them in the public dom..  
10 you know, as affordable housing; is that something  
11 you guys are pursuing or would consider?

12 JULIE WALPERT: Yeah, absolutely.

13 COUNCIL MEMBER ROSENTHAL: Okay. Could  
14 you then explicitly -- can I ask that you send, I  
15 guess this committee, a list of all the remaining by  
16 council member district and how many years left they  
17 have on being locked into Mitchell-Lama so we have a  
18 sense of timing for each one of what's coming down  
19 the pike to more actively strategize with you?

20 JULIE WALPERT: Yes, we have the...

21 [crosstalk]

22 COUNCIL MEMBER ROSENTHAL: Okay. And the  
23 sense I get for the problem, 'cause I hear you  
24 answering that you have the information by  
25

development, but not in a whole; it sounds like the problem is sorta, how much is on a computer system or you know, it sounds like a lot is still in paper and not manipulatable on an Excel spreadsheet; right?

JULIE WALPERT: Right, our waiting lists are all paper-like waiting lists.

COUNCIL MEMBER ROSENTHAL: Are you in the process of turning those into electronic and followed electronically?

JULIE WALPERT: That's actually like on our agenda for things that we wanna do; we just made our... opening up of our waiting lists; we've done electronically for the first time; we just had a lottery -- we're in the process of holding a lottery now and then our next step is to hopefully to get those -- the waiting lists online; we don't have a date of when we can do that, it's actually a very big project, but it's definitely like on my wish list and on my agenda and we're working with our computer folks just to get some sense of timing for that.

COUNCIL MEMBER ROSENTHAL: So I have no intention of putting you on the hook, but if you could message back to your commissioner that I'd be very interested in that being a part of the budget

ask to the City Council; that's something that I'm really interested in because I think that if we could do that we would more likely ensure that there's not deceptive behavior on the part of the managers; I mean something that we all know exists. [bell] So I guess my time is up. Thank you so much.

JULIE WALPERT: Thank you.

CHAIRPERSON WILLIAMS: Council Member Cornegy and then we have Council Member Reynoso for a second round.

COUNCIL MEMBER CORNEGY: Thank you, Chair Williams; thank you, Commissioner.

I have a question -- I'm a member of the City Council's Affordable Housing Task Force and one of the first things that we did or were tasked to do was to make a full assessment of all affordable units per district; right, so that had never been done before in the city and one of the things we found was that those units that were going out of programs, we had just missed it by a year where we could've talked to the developer or talked to the landlord and to where we were losing as many affordable units as we were trying to create; we're trying to now be proactive with engaging the developers and the

landlords three years prior to them coming out to incentivize them staying in the programs, Mitchell-Lama included. So I wanna know; has HPD developed or are you in the process of developing a comprehensive program to encourage owners to remain in the City's parcel of Mitchell-Lama program? Now you touched on it briefly in your testimony, but I wondered if you drilled a little deeper, can you let me know what those are, so me as a member of the task force can take that information back and maybe replicate it with some of the other programs that the City has?

JULIE WALPERT: Right, absolutely. We are very actively engaged with our sister agency, with HDC on coming up there -- they had a Mitchell-Lama refinancing program and now they're creating a 2.0 program due to the number of developments that took that program initially were locked in for 15 years and the 15 years actually, exactly as you said, they are coming due in 2019, 2020, 2021, so we wanna engage with them today to get them locked in longer to get, you know... and again, these developments are 40, 50, 55 years old, so they have real capital needs there that are associated, so we're addressing them directly.

COUNCIL MEMBER CORNEGY: So personally, myself and the task force look forward to working with the agency to make sure that we can be a part of that as we do our round of assessments and include Mitchell-Lama in that.

While I see I have a little bit more time, often I reach out to my friends in social media to have them ask a question as if they were here, so someone did send me on social media. The Mitchell-Lama co-ops at 21 St. James Place and 333 Lafayette, Ryerson Towers, have many vacant apartments; management has stated the waiting list was lost, which many perspective owners were on the list for years; why are the vacant apartments not being sold and being held off the market?

[background comments]

JULIE WALPERT: So...

COUNCIL MEMBER CORNEGY: Hey, this is your **[inaudible]**... [crosstalk]

JULIE WALPERT: Okay...

CHAIRPERSON WILLIAMS: Alright, alright, alright, **[inaudible]**... [crosstalk]

JULIE WALPERT: Okay, so uh let me... this is the... I've never heard that the waiting lists were

lost; we actually have copies in our office; I've never heard this complaint at all, so I will follow up though when I get back to the office.

COUNCIL MEMBER CORNEGY: Okay. As I stated before, oftentimes I reach out to my followers on social media and ask them if they'd like to weigh in on a question and that was the question that was weighed in. Thank you for answering... [interpose]

JULIE WALPERT: And I will follow up.

COUNCIL MEMBER CORNEGY: Thank you for the answer.

JULIE WALPERT: Sure.

[background comments]

CHAIRPERSON WILLIAMS: Before I have some additional questions, I'll allow Council Member Reynoso five minutes for a second round.

COUNCIL MEMBER REYNOSO: Thank you, Chair.

I wanted to ask a question regarding proxies. So I just wanna give you a heads up; the 92 percent of the votes -- the Board was elected in Lindsay Park by 92 percent proxy vote, which means that actual participation of folks coming down to the

1                   [inaudible] is almost nonexistent. Do you guys allow  
2 proxies for opt-outs?  
3

4                   JULIE WALPERT: We actually are required  
5 by the Business Corporation Law to allow proxies, so  
6 we looked to see if we could change that because  
7 exactly what you are saying, but proxies are required  
8 by Business Corporation Law.

9                   COUNCIL MEMBER REYNOSO: But when you say  
10 you looked to change that; what do you mean by  
11 looking to change...? [crosstalk]

12                  JULIE WALPERT: We looked to see if we  
13 could -- particularly for buyouts, to see if we could  
14 have people come in and vote in person to -- I mean,  
15 again, like I'm gonna be very up front here, we don't  
16 want Mitchell-Lamas to buy out, so if we were making  
17 the process to make sure that people, you know were  
18 voting with their feet, but we couldn't do that.

19                  COUNCIL MEMBER REYNOSO: But you see the  
20 value of democracy in a buyout vote, but not  
21 necessarily the value of democracy in voting in a  
22 board, for example?

23                  JULIE WALPERT: Well actually, I wouldn't  
24 say that, sir, because if we knew that in a buyout  
25 vote that we couldn't require no proxies, then you



1 know, for the vote we were told just flat out that  
2 there was no way that we could disallow proxies. But  
3 what we did do was we provided for a direct... a  
4 uniform proxy to make it easier for any shareholder  
5 to go and get a proxy, so there was uniform proxy  
6 that we were... [interpose]

8 COUNCIL MEMBER REYNOSO: Okay. Just...

9 JULIE WALPERT: asked to put in place,  
10 so...

11 COUNCIL MEMBER REYNOSO: You have no  
12 authority to modify bylaws or assist in modifying  
13 bylaws to eliminate proxies?

14 JULIE WALPERT: The Business Corporation  
15 Law does not allow that.

16 COUNCIL MEMBER REYNOSO: Okay. I wanted  
17 to ask a question regarding -- we... Council -- Deputy  
18 Borough President Diana Reyna and myself, two  
19 different times, while you... under your leadership,  
20 have asked for an audit in Lindsay Park's waiting  
21 list and we've yet to receive any reply on that  
22 request. So I could only imagine that when  
23 complaints are given to you... how you treat two  
24 council members, imagine how HPD will treat  
25 shareholders [cheers] in the developments, and by the

way, [background comment] I also have -- what do you call them... [interpose]

JULIE WALPERT: Sir, I think actually we did do an audit of the wait list.

COUNCIL MEMBER REYNOSO: Well I have yet to see that audit; it was never sent to me and there was no information that you guys have that information. Nothing was replied to us and I have certified mail -- look at the lengths that I've gotta go to; to ensure that you guys do things the right way, I have to ask my staff to go out and get certified mail sent to you just so you can say that we didn't send something or don't reply, so that when we get to these type of points we could hold you accountable. I have yet to have that information on the Lindsay Park waiting list and I would love to get it when you get the chance.

JULIE WALPERT: I'll check on the last audit we did, sir.

COUNCIL MEMBER REYNOSO: Okay. And the Shareholders for the Betterment of Lindsay Park, which is a smaller group within the Lindsay Park development, has actually moved forward with sending you a request for a forensic audit regarding all the

1                   dealings in the department, 'cause they're that  
2                   concerned that they've seen increase after increase  
3                   after increase and you've yet to reply to them and it  
4                   took the DA's office to begin an investigation with  
5                   the Board and the management company, the same  
6                   management of these lost waiting lists; it took the  
7                   DA to get involved because your oversight was  
8                   lacking. I just wanna know; what does it trigger for  
9                   you guys to actually do more than what you think  
10                  needs to be done? I fell like you guys do the bare  
11                  minimum to sustain an important housing structure  
12                  within the City of New York. What triggers you guys  
13                  to do more just to show up?

14                               JULIE WALPERT: You know we're aware of  
15                               the DA's investigation, sir... [crosstalk]  
16

17                               COUNCIL MEMBER REYNOSO: So you're just  
18                               aware of it?

19                               JULIE WALPERT: and we're cooperating  
20                               with them.

21                               COUNCIL MEMBER REYNOSO: Okay, I wish you  
22                               would've cooperated with the shareholders long before  
23                               that so that we didn't need to get to a point where  
24                               we have to do an investigation. They shouldn't have  
25                               to wait for an investigation for you to do your job.

The last thing I wanna say is; in 2012 -- I have a letter here from HPD as well -- in 2012 you said that you were gonna justify an increase for Lindsay Park because they need to do repairs on their roofs and they needed these very important things to be done, they agreed to the increases and never got it done; now you're looking to set them with \$60 million more in debt for the exact same repairs, so they're asking why weren't the repairs made when you originally told them in 2012 that they were gonna happen and now in 2016 the exact same repairs are supposed to happen and they're taking on more debt; I wanna know, how do you justify that? Why should they sign anything and agree to anything if you can't comply with your... if you are not being held accountable [bell] for doing what you should have done four yours ago?

[background comments]

JULIE WALPERT: The money that Lindsay Park got from the increase actually went to cover emergency work, including steam pipes and oil spills, so... [interpose]

COUNCIL MEMBER REYNOSO: That's not what they agreed to.

JULIE WALPERT: But again, sir, we have to make sure that... [crosstalk]

COUNCIL MEMBER REYNOSO: When you went...

JULIE WALPERT: there is money that covers emergency work.

COUNCIL MEMBER REYNOSO: You guys said that if they agreed to that increase, those repairs would be made and now they're being asked to pay for the exact same repairs again. So why do you... it's false that you're telling them that this will get taken care of if you take a 25 percent increase and then four years later you're saying, uh we didn't get it done, we need another 25 percent. You can't just lie and allow them to continue to sign documents that don't do what you say they're supposed to do.

CHAIRPERSON WILLIAMS: Thank you, Council Member.

COUNCIL MEMBER REYNOSO: Thank you, Chair... [crosstalk]

JULIE WALPERT: Actually I don't think lying is the right term.

COUNCIL MEMBER REYNOSO: Well you're... you're... [background comments] you're not giving them... So can I just follow... [crosstalk]

CHAIRPERSON WILLIAMS: Just... last... last question.

COUNCIL MEMBER REYNOSO: one more follow-up. So what do you call -- I see it as deception; if you tell me you're gonna do -- if you're a contractor and I pay you to fix my ceiling and you don't get that done, I don't pay you or you give me my money back. Are you gonna give Lindsay Park the money back for agreeing to do... for not doing the work that you agreed to do? And I have paper here that says you're gonna do that exact same work.

CHAIRPERSON WILLIAMS: Alright, let them respond to it.

COUNCIL MEMBER REYNOSO: And I'll share all my documents with you.

JULIE WALPERT: Again, the money that came in from the increase might have been earmarked, you know, they might have needed that work, but then emergency work came in its place...

COUNCIL MEMBER REYNOSO: That...  
[interpose]

CHAIRPERSON WILLIAMS: Okay. Alright.

JULIE WALPERT: and there was no other way for them to pay for that emergency work.

COUNCIL MEMBER REYNOSO: Then you should've gave them a heads up that that needed to be done... [crosstalk]

CHAIRPERSON WILLIAMS: Thank you.

COUNCIL MEMBER REYNOSO: I think that there is a need for a change in leadership in HPD, regarding the Mitchell-Lama Program; I just wanna put that... [crosstalk]

CHAIRPERSON WILLIAMS: Thank you, Council Member. Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Actually I wanna follow up... I think what I'm missing is how much authority HPD... your office has on the managing agents themselves, like legally, what type of authority... what holds you back in situations like the one Council Member Reynoso and you know in our district we work on Clinton Towers together where, you know, similar questions arise; is there something inherent in State Law or the Business Law that you just mentioned; why can't -- I guess it's the Board's responsibility to get rid of the managing agent and get a new one and you have to have a democratically elected board; is that... would that be your response...? [crosstalk]

JULIE WALPERT: That's exactly... Yes, that's exactly the answer; that the managing agents are hired by the Boards of Directors, and that's why the election process is so important.

COUNCIL MEMBER ROSENTHAL: So in other words, if you have a shady management company that is -- What more could HPD do to help out with that?

JULIE WALPERT: Well so if it's a shady or -- I mean I think there's lines here, so if there is a managing agent that, you know there's real issues; that there's proof that there is more than just -- you know, doesn't look right, but that there's real proof there... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Well incompetence [sic]...

JULIE WALPERT: then we can require the Board to change the managing agent, so... [interpose]

COUNCIL MEMBER ROSENTHAL: Okay. So if there's incompetence, can you require like -- I don't know Council Member's situation, so I shouldn't comment on it, but in mine I would argue that -- well I can't say it publicly, but you know, it's shady [laughter] and I don't know what to accuse because I haven't seen the financials; I don't know how hard



they work, but I think it's questionable how much -- is there a trigger for you at HPD for when you require new elections and how often have you done it and are you gonna do it more going forward?

JULIE WALPERT: So for Boards of Directors, there are annual elections that are required by State Law, by the bylaws that there are annual elections. In terms of changing managing agents, it's a little bit trickier because, you know, particularly for a rental where it's -- you know, depending on the relationship between the managing agent and the owner, having the owner change managing agents, I need something very strong to show, like it's not just that they're not, you know, dotting every I or crossing every T, but that there's something very real going on and then I can say to them, there's something bad; you need to change and whether or not they say yet, you know that's another story, in which case you know, that would be another whole process to go through. But if it's someone... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Would you be willing to take that on? I mean... [crosstalk]

JULIE WALPERT: If there's... Right. If there's like real problems and that there's, you know, corruption... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Has it ever happened?

JULIE WALPERT: then absolutely we would take that on, absolutely.

COUNCIL MEMBER ROSENTHAL: Okay. So in the last 20 years, how many times have you referred something to DOI or taken that step?

JULIE WALPERT: Well so in general, we refer things to the Inspector General's Office quite frequently; we get... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay...

JULIE WALPERT: complaints of allegation... [crosstalk]

COUNCIL MEMBER ROSENTHAL: in the last year, how many times...

JULIE WALPERT: You know, again... [crosstalk]

COUNCIL MEMBER ROSENTHAL: a 100?

JULIE WALPERT: this is for hundreds of times that...

COUNCIL MEMBER ROSENTHAL: Hundreds?

JULIE WALPERT: Right. If we have any allegation of corruption, whether big or small and you know, I don't judge whether it... you know, how good it is; I send it on.

COUNCIL MEMBER ROSENTHAL: So on my list of things to send back to the Council, could I ask for how many times you've sent something, big or small, over to whoever you send it to -- sorry; I just am less aware -- IG's office; is that internal to HPD IG...? [crosstalk]

JULIE WALPERT: Yeah, we have an internal IG, yes... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay, your IG, how many time... and then the so what answer to the result of those situations. So could you get from the IG's office then how many were true and an action was taken; how many were dismissed; how many resulted in... so those are two, right, either an action or dismissed and then of the action, how many were successful -- successful in my mind, that would be resulting in the preservation of more affordable housing is successful.

JULIE WALPERT: Okay. The IG does not report back its findings.

COUNCIL MEMBER ROSENTHAL: Not to you, but I'm sure they keep a record somewhere and I'm not asking for [bell] any individual name; I'm asking for an aggregate, much in the way Airbnb gives less aggregate information; not individual...

JULIE WALPERT: Yeah, so...

COUNCIL MEMBER ROSENTHAL: and they're able to do it. [background comments] Oh come on, in aggregate... and you and I are on the same page [inaudible].

[background comments]

COUNCIL MEMBER ROSENTHAL: Alright.

JULIE WALPERT: I could check with the IG; I don't know how they report back.

COUNCIL MEMBER ROSENTHAL: Would you foresee that as part of the automation process that that could be a component part as you move toward digitizing the Mitchell-Lama information? Could you put that in the bucket of requests that you give to the tech person who...

JULIE WALPERT: You know I don't wanna like promise anything for the Inspector General's Office or like how we deal with complaints or how we... [crosstalk]

COUNCIL MEMBER ROSENTHAL: So let me ask you in a different way. Would it be helpful to you to know what happens on the cases? Confidential to the public, but for you personally, would it be helpful to you to know the outcome of cases that you refer to the IG to give you a better feel for what's going on maybe to those developments? I mean there are so few at this point.

JULIE WALPERT: I have a lot of back and forth with the IG, so I don't know how much you know is public and how much is private and how much I am supposed to know or not, you know so I... there's a lot of back and forth with the IG's office.

COUNCIL MEMBER ROSENTHAL: Thank you.

CHAIRPERSON WILLIAMS: Thank you, Council Member. Council Member Cornegy.

COUNCIL MEMBER CORNEGY: So I just... I was wondering if you could give me a better understanding of the financing vehicles that are used when you wanna keep people in these programs; are there particular finance instruments that are used and if so, what are they?

JULIE WALPERT: So actually, this is a great -- thank you for this opportunity for me to

1                   make this plea that Council Member Reso A funds and  
2                   Borough President discretionary funds are a great  
3                   tool to keeping the Mitchell-Lamas in place because  
4                   it's money for them and they have to lock in to get  
5                   it, you know, to accept it, so it helps toward  
6                   elevators or boilers, you know or some major systems.  
7                   So I mean that's one tool that -- and it doesn't cost  
8                   the development anything -- there's no debt or risks  
9                   associated with it. So we often couple that with our  
10                  HRP 8A Loan Program, where you get interest below  
11                  3 percent, anywhere from 1-3 percent, again, on the  
12                  capital work. For bigger, larger needs where many  
13                  systems that are needed, that's where an HDC can help  
14                  with their financing, so.

16                  COUNCIL MEMBER CORNEGY: Thank you.

17                  CHAIRPERSON WILLIAMS: Thank you. I have  
18                  some additional questions. Also, just to note, as  
19                  the Mitchell-Lamas are buying out, Section 8 was  
20                  opting out, so we were losing a lot, a lot, a lot of  
21                  units and we still are.

22                  Just follow up on the line of questions  
23                  that Council Member Rosenthal was asking; how many  
24                  times have you asked for a change in the managing  
25                  agent in the past 15 years that you...

[background comments]

JULIE WALPERT: Right. So it's not... we don't ask for the change in managing agent; often the Board of Directors will ask for that change and there's been many changes throughout the... you know, throughout the last number of years, you know there's managing agents that go back and forth between different developments based on the Board's request.

CHAIRPERSON WILLIAMS: Well I'm going back from what you said, that if there is, I guess malfeasance or nonfeasance you can require that there is a change in the management company; how many times has that occurred in the past at years?

JULIE WALPERT: Again, I can request; I can't require it. To require it, I have to take over as the Board of Directors.

CHAIRPERSON WILLIAMS: How many times have you requested it?

JULIE WALPERT: I actually... in the last year I had a change in managing agent; I didn't require it, I requested it and the Board took my request seriously.

CHAIRPERSON WILLIAMS: So one time?

JULIE WALPERT: I think it was one or two developments.

CHAIRPERSON WILLIAMS: Alright. So in one instance we saw enough to request a change in managing agent in the past 15 years?

JULIE WALPERT: Again, sir, that... sometimes the Boards take this on themselves, so they don't need my... [interpose]

CHAIRPERSON WILLIAMS: I see. Do you know how many times that's happened?

JULIE WALPERT: How many... We get changes in managing agents all the time.

CHAIRPERSON WILLIAMS: Okay. How many times... when it comes to the list; how many times have you referred any suspicious activity with the list to either the AG or the DOI's office?

JULIE WALPERT: I refer things to the Inspector General's Office all the time, so whether it's in relation to the list or in relation to other issues that are brought to my attention.

CHAIRPERSON WILLIAMS: Specifically about the list I'm asking.

JULIE WALPERT: I don't have that number, sir.



CHAIRPERSON WILLIAMS: Is there any way you can get that number?

JULIE WALPERT: We don't keep our referrals in that manner.

[background comments]

CHAIRPERSON WILLIAMS: It's a little frustrating, because we don't have a list of the times that it's happened, we don't have the reasons necessarily why it's happened, we don't have times that it was given over to the AG or the DOI; I don't understand how we stop it from happening. Do you plan on changing behavior around the complaints about the list so that we can have some kind of record to figure out what's happening and why so that we can address is?

[background comments]

JULIE WALPERT: Well so two things -- one, we will try to figure out a way to get that information to you, if it's possible, we will do that; the second things is, going forward we have increased our compliance staff and we've changed the way that we approve the applications.

CHAIRPERSON WILLIAMS: So the problem...  
[interpose]

JULIE WALPERT: And then I guess the third way is that -- and this is a much longer-term solution -- is that we're looking to automate our waiting lists.

CHAIRPERSON WILLIAMS: So it seems like the reason that no lists were kept and no record of why or whether we know anything was given to DOI or DA's or AG's is because we didn't have enough staff?

JULIE WALPERT: I mean we have increased our staff for a reason.

CHAIRPERSON WILLIAMS: So if that's the reason, why didn't we request an increase in funding this particular purpose in the past 15 years?

JULIE WALPERT: You know, we've had different recessions that we've dealt with and different changes of administration, so in this administration we've had an increase in our staff.

CHAIRPERSON WILLIAMS: I understand. I mean I've been... I've only been the chair for two years; I've been on the Housing Committee for six; I've been an organizer around these issues for much more than that and this is the first time I'm hearing of this being a reason and any monetary response to it, so my suggestion, if that were the case, that

every year we have a budget cycle you can request funding to either increase staff or fix whatever systems are in place, but the answers we heard here, I don't even think you -- I think you would have to agree that they were inadequate, at best, in terms of what's been occurring with the Mitchell-Lamas and that would explain why we have one of the biggest turnouts in our Housing Committee that I have seen in quite some time, because there's probably a lot of bent-up frustrations of not getting proper responses. As my colleague pointed out, if we're getting the responses here in public, I can only begin to imagine what they're getting in private conversations with HPD; that's something that we just can't afford. As you mentioned, we're only down to 45,000 units; we wanna keep them, not to even under-value the amount of frustration that they must be going through in dealing with the agency, and there's parts of the agency I think that work really well; this doesn't seem to be one of them, so we definitely have to fix that if we wanna preserve these units as a whole and if we just want people to live comfortably and get a response. I just... I know I get mad when I call a bank or something and I can't get through; I can't

1  
2 imagine if somebody's calling to try to save their  
3 home and they can't get the answers to do that.

4 Just a couple more questions. So it  
5 sounds like your lists are on paper and you're gonna  
6 be making them online; is that what we're doing,  
7 we're putting...

8 JULIE WALPERT: That's the long-term  
9 goal.

10 CHAIRPERSON WILLIAMS: Okay. How long do  
11 you think it will take to do that?

12 JULIE WALPERT: Again, this is out of my  
13 purview, it's on my highest priority list, but  
14 there's a lot of agency priorities. So if we were  
15 able actually to automate the lotteries, which I  
16 think will go a very long way toward this and is the  
17 first step, because now we have this first lottery  
18 that will be online and then I think going forward,  
19 but I wanna go backwards as well, sir, so it's very  
20 much on everyone's radar.

21 CHAIRPERSON WILLIAMS: So what's the  
22 status of the automated lottery system, it's up; it's  
23 running?

24 JULIE WALPERT: The lottery is up and  
25 running.

CHAIRPERSON WILLIAMS: Okay.

JULIE WALPERT: People should get on; it's Mitchell-Lama Connect; they can create an account and as lotteries are opening throughout the City, they'll get notice that there's gonna be a lottery that's opening and that they should apply. It's very simply to apply.

CHAIRPERSON WILLIAMS: You mentioned that there are five buildings that were not accepting help from HPD; is that public information; is that something you can tell us now?

[background comments]

JULIE WALPERT: I think that I can get you that information after the hearing, sir.

CHAIRPERSON WILLIAMS: Okay.

JULIE WALPERT: I don't... you know, I don't know if it's public or not, so I don't...

CHAIRPERSON WILLIAMS: Alright. If you get... and you can give it to the sergeant and they can give it to us.

How do you deal with -- Well back to the question with capital improvements; do you have a system of which you're gauging any possible improvements that are needed for these buildings and

how do you go about with those kind of lists, which are hopefully better?

JULIE WALPERT: I'm sorry; I don't quite understand what you're... [crosstalk]

CHAIRPERSON WILLIAMS: For buildings that may be falling in disrepair; how do you go ahead and make sure that that's not happening; how do you follow up with those buildings?

JULIE WALPERT: Well that's exactly what we're doing with HDC. You know, **[inaudible]** buildings that are falling into disrepair, you know we're aware of them and we're having HDC work with them; you know those are like bigger issues than just like what an HRP loan can do, which is a couple million, where so where we have a number of developments that are working -- we're working with HDC with them so that -- and we require a full physical needs assessment and a full scoping. So I mean we're very conscious of ensuring that the physical side of the Mitchell-Lamas are maintained well and we do our best there to get all of the developments in so that the people's living conditions are up to the standard of health and safety.

CHAIRPERSON WILLIAMS: I was very disheartened by -- and I'm sure all of us were -- on the example that, I guess it's Lindsay Park that my colleague was speaking about. When you gave them the money the first time, did you go back to the tenants and tell them that they'd be getting money the second time?

JULIE WALPERT: So we actually didn't give them the money; this was a rent increase and we are really actively looking to get this loan in place to address the health and safety issues. So we're very concerned about this one and it's very much on our radar. I can't really talk too much about this 'cause there's the DA investigation, sir.

CHAIRPERSON WILLIAMS: So you approved the rent increase for the repairs; correct?

JULIE WALPERT: We approved the rent increase because there was a need for operating and capital work there.

CHAIRPERSON WILLIAMS: So when it wasn't done, did you alert the tenants that they were gonna then get a loan?

JULIE WALPERT: This would be the Board of Directors' responsibility to do that and again,

I'm not speaking for the Board of what they did or did not tell them, but I know that there's been public meetings discussing the loan.

CHAIRPERSON WILLIAMS: So was the DA investigation already there before they applied for the loan and were approved?

JULIE WALPERT: No and they haven't been approved for the loan yet, but the DA investigation happened in the middle of that process.

CHAIRPERSON WILLIAMS: So the loan hasn't been approved yet?

JULIE WALPERT: Correct.

CHAIRPERSON WILLIAMS: Were waiting for the DA investigation before the loan was approved?

JULIE WALPERT: I can't really talk about that.

CHAIRPERSON WILLIAMS: Okay. Just a couple more questions. How is the Reso A funding given; it doesn't feel like it will be sufficient to plug a hole, so how... [crosstalk]

JULIE WALPERT: No, it certainly does plug a hole, because we combine it often with our 8A money and you know, depending on what's needed and what the capital work is, it completely fills a need.



CHAIRPERSON WILLIAMS: And lastly, I know that even with it's faults, this has been one of the better programs that has been devised and for some reason we're not really discussing it; how much would it take... has the City been in any discussion of recreating a problem like this?

JULIE WALPERT: We've thought about this a lot; I mean 'cause we do think this a very successful program; the economic conditions are not the same as they were in the 60s and 70s when there was broad swaths of vacant land and City funding that was available then and construction costs were much lower than they are now, so the Mayor's Housing Plan addresses these needs and there's a lot of programs that are out there for new construction that address the wide range of incomes that are addressed in the City Mitchell-Lama portfolio. So we wanna preserve what we have and new ones, you know, they might not be Mitchell-Lamas, but they're definitely something that's addressed in the Mayor's Housing Plan.

CHAIRPERSON WILLIAMS: Any idea what it would cost the City to create another program like this?

JULIE WALPERT: I know that people have looked into this and I think that the alternative of what's being provided in the Mayor's Housing Plan is the way to go.

CHAIRPERSON WILLIAMS: Okay. My last question. Can you explain the proposed regulations for succession rights?

[background comments]

JULIE WALPERT: There are actually no changes to the succession rights.

[background comments]

CHAIRPERSON WILLIAMS: Okay. I had heard that there were some proposed changes.

JULIE WALPERT: Two years ago we changed the succession rights and we took out adopted children and we just made it any child, because we thought that it was insulting to identify someone as an adopted child when they might've been with the family for 20 years, so we just took out the word "adopted," but of course they are still children and they would still get succession, so that was really

the only changes, that we took out the word  
"adopted."

CHAIRPERSON WILLIAMS: Wasn't there a  
comment period recently about...

JULIE WALPERT: Where we were change...  
it's not succession; we are looking at doing a  
cleanup of changing the stock certificate, that  
people who are on the stock certificate who don't  
have succession rights that there is concern that  
just because you're on the stock certificate that you  
would think that you would have succession rights,  
but if you didn't co-reside with the original tenant  
of record, then you wouldn't get them. So we do not  
allow changes to the stock certificate, but that has  
nothing to do with succession rights; that if you co-  
resided with a parent or a grandparent or an aunt or  
an uncle for two years and you both can prove that  
and you're on the income affidavit; you get the  
apartment.

CHAIRPERSON WILLIAMS: Does HPD monitor  
to ensure that tenants in co-op residents are not  
renting out their units on home-sharing websites like  
Airbnb?

JULIE WALPERT: Yes, we are very concerned about Airbnb and we have sent out a recent directive reminding tenants and shareholders and managing agents and housing companies, lawyers and everyone that they are not permitted to rent out their apartments on Airbnb. If they are found, we have hearing officers who hear these cases.

CHAIRPERSON WILLIAMS: Have you had any instances of Airbnb complaints or finding any units on Airbnb?

JULIE WALPERT: We have and we've required the managing agent to take them to our hearing officer; one actually made the *New York Times*, so we are very conscious of this and this is affordable housing that is for people that come off the waiting list at the right income and we do not support Airbnb and we make sure that the housing companies know that and that the tenants and residents know that.

CHAIRPERSON WILLIAMS: So my colleague has requested to ask a question, since there is not a lot of us and I'm gonna allow that, two minutes to ask questions.

COUNCIL MEMBER ROSENTHAL: Can I just follow up on what happens with that? Because of course, it's a double-edged sword, to the extent that the Mitchell-Lama buildings get issued a violation and it's maybe because the managing agent is allowing it to happen; I mean it's rumored in my district in one of the buildings that it's actually the managing agent who's warehousing apartments and maybe they're not, and you and I have talked about this a bit, but is warehousing apartments and then renting them out on Airbnb; then, when they're caught, which is great and they have to stop doing it, to the extent that they're issued a violation is then, in a way, all the tenants' responsibility to pay for it; how are you guys tracking... [crosstalk]

JULIE WALPERT: Well so there wouldn't be a violation; they wouldn't be allowed to do this. I'm not actually aware of this situation; I would love to talk about this afterwards of... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay.

JULIE WALPERT: where that's happening, because that would be a clear violation of the Mitchell-Lama rules, so... [crosstalk]

COUNCIL MEMBER ROSENTHAL: So it's... obviously the special enforcement gives the violation, once it's identified and it can go up to be tens of thousands of dollars. So that's something... [crosstalk]

JULIE WALPERT: Okay.

COUNCIL MEMBER ROSENTHAL: that I'm looking at now.

JULIE WALPERT: Okay, yeah, I would... I'll follow up internally also with that, but... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you; appreciate it.

JULIE WALPERT: Yeah.

COUNCIL MEMBER ROSENTHAL: Only a minute.

CHAIRPERSON WILLIAMS: Only a minute, alright. So thank you for coming out today; as you can tell; there's a lot of issues; since I became the Housing chair I've had a lot of requests to do this hearing, but now I see why; it actually seems like it's been much worse than I even anticipated it would be; that's unfortunate; hopefully some of the questions we asked will spur some activity within the department to fix some of these so that when we do this hearing again, and I'm gonna be sure to make

sure that we do something like this again, that you will have some better answers for particularly what's happening with the lists and what's happening with the Board training I think is an important thing. Thank you very much.

[clapping, background comments]

CHAIRPERSON WILLIAMS: No. No. No, no. Is Borough President Gale Brewer here? [background comments] 'Kay.

[background comments]

CHAIRPERSON WILLIAMS: The next panel; we have Ed Rosner from Mitchell-Lama Residents Coalition; Jeanne S. Poindexter from UHAB; Betsy Eichel from Housing Conservation Coordinators, and Jen Ber... sorry, from Tenants and Neighbors, if they can each come up, please. We're gonna need a fourth chair. Well let's see if they're here. [background comments] So we have Jen Berkley from Tenants and Neighbors; Ed Rosner from MLRC; Jeanne Poindexter from UHAB; Betsy Eichel from HCC.

[background comments]

CHAIRPERSON WILLIAMS: So we have Betsy Eichel?

BETSY EICHEL: Yeah, I'm here.

CHAIRPERSON WILLIAMS: We have Jeanne Poindexter? We have Jennifer Berkley. I guess Ed has already left. Alright. So MLRC did submit written testimony; I was hoping that he'd be able to stay around; hopefully there's some other members as well.

First, Council Member Rosenthal wanted to give you some applause for the work that you've been doing around this issue.

Can you please raise your right hand? Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to council member questions?

[collective affirmation]

CHAIRPERSON WILLIAMS: You each have two minutes for your testimony; you can begin at your leisure.

JEANNE POINDEXTER: I'll start. I'm Jeanne Poindexter, East Midtown Plaza in Manhattan and Cooperators United for Mitchell-Lama.

And I wanna talk to you about something that hasn't been mentioned here yet and that is what I consider the biggest problem with the Mitchell-Lama



1 program. Unfortunately, the program has one glaring  
2 and problematic flaw in permanence, 'kay; it wasn't  
3 clearly intended to be that way, but it grew in that  
4 direction. Is this too loud? [background comments]  
5 Oh okay. Okay. But it grew in that direction  
6 shortly after the program came into existence and  
7 Mitchell-Lama rental landlords were not satisfied  
8 with the amount of profit they were going to be  
9 allowed to take, so they had to have a sunset clause  
10 and we now left struggling with a temporary solution  
11 to a lasting municipal problem, okay; a decreasing  
12 stock of affordable housing for an increasingly dense  
13 population, and the worst part of it is that the  
14 greatest beneficiaries of the program, its  
15 cooperators, are the people who are the tools of its  
16 demolition by choosing to gamble for possible  
17 personal profit against permanent affordability.

18 As the rules stand, a Mitchell-Lama co-op  
19 can withdraw from the program voluntarily by the  
20 expressed decision of at least two-thirds of its  
21 members, the dwelling units; it's very neatly done;  
22 every member must withdraw and there is no return; 8  
23 of the 96 original co-ops have done this, only 8.  
24 Okay. But the choice cannot be reconsidered; if a  
25

proposal to withdraw is approved, the Mitchell-Lama co-op is lost forever. On the other hand, if a proposal fails and the co-op thereby looks to remain in the program, [bell] the co-op gets only a brief one-year respite from the contest before the exploration can be resumed. Okay, I live in such a co-op that is now looking at its third attempt to go private, but I call it three because it's only been two formal votes, but in reality the first formal vote but failed to approve privatization was already a second election; each member first voted for Mitchell-Lama by applying to the co-op for membership. Okay. In summary, I urge you to convince the agency that the most valuable change that could be made in the Mitchell-Lama co-op program would be restriction of the free-for-all availability of privatization that forces the dedicated members to choose Mitchell-Lama over and over again, from initial application to each contested proposal to withdraw; once is enough... [interpose]

CHAIRPERSON WILLIAMS: Gonna have to ask you to wrap up.

JEANNE POINDEXTER: Okay, twice is agony; three times should be prohibited and then we could

consummately point to some lasting affordable housing in New York.

CHAIRPERSON WILLIAMS: Thank you.

BETSY EICHEL: Hi everyone. My name is... 'kay... my name is Betsy Eichel and I'm a Tenant Organizer at Housing Conservation Coordinators, a nonprofit legal services and tenant advocacy organization based in Hell's Kitchen; we work with Helen's office very frequently, and thank you so much for letting me testify today.

Our organization has worked with the tenants of Clinton Towers, a Mitchell-Lama rental building in Hell's Kitchen for many years, and I wish there were more Mitchell-Lama buildings in our catchment area, but unfortunately there are now very few.

So the building has long been an important source of affordable housing in a neighborhood that is losing it quickly; tenants have also struggled for years to get timely repairs, faced deep rent increases and felt that there was little transparency between the Board and tenants, even in decisions that impacted tenants greatly.

For example, twice tenants have faced proposals from the same developer to build a large, predominantly outdoor restaurant and bar in the ground floor commercial space. This space is intended to house a business that is useful for tenants and their families, such as the former occupants were an insurance business and there is currently a deli there, but despite the clear wording in the zoning text and the opposition from tenants, the proposal was before the Community Board twice, even though the circumstances around the proposed restaurant are a bit murky, which is putting it mildly. The commercial space has been kept vacant, but the owners of the proposed restaurant have close ties to members of the Clinton Housing Authority, which is the governing board of the building.

Tenants are being hit with a notable rent increase, yet little effort has been made to find a viable commercial tenant that would follow the guidelines set out in the zoning document. In addition, tenants have frequently mentioned the number of vacant apartments in the building, while also waiting years to transfer to larger or smaller units when their household composition changes. The

foregone rental revenue and the obscuring of a process that is supposed to be transparent have rightfully angered many tenants. [bell]

I just kinda wanted to say also; the proposed rent increase initially was very high; HPD was proposing -- or excuse me, the management, sorry -- the management was proposing a nearly 20 percent increase over two years, but as I mentioned, there's many repairs that have not been done, there's a commercial space that is not rented out, and they are projecting a 4.5 percent vacancy rate, which is unconscionable in a city that has a housing crisis. So we are working with HPD on that, but I'm happy to be here and happy to be testifying about the need for oversight, which is great. So thank you.

CHAIRPERSON WILLIAMS: Thank you.

JEN BERKLEY: Thank you to Chair Williams and the Housing and Buildings Committee members for the opportunity to testify here today; we also extend our gratitude to Brooklyn Borough President Eric Adams for welcoming all of us to the great Borough of Brooklyn in order to accommodate tenants for whom traveling in to Manhattan is difficult.

My name is Jen Berkley and I am the Subsidized Housing Lead Organizer for New York State Tenants and Neighbors. I'm gonna just briefly talk about some of my main points because my testimony is rather long.

We believe preserving our city's Mitchell-Lama housing stock is key to any broad-range affordable housing plan in New York City and the current administration in City Hall, as well as members of the City Council would be wise to focus preservation efforts on Mitchell-Lama rentals. We are pleased to offer testimony at this hearing, the first on Mitchell-Lama housing in several years, and just on the basis of the many people here today, clearly this is a well-needed forum.

By the mid 2000s, with dozens of buildings being lost to lucrative buyouts, this once robust resource of affordable housing has dwindled significantly; over the last 20 years nearly 40,000 units of affordable Mitchell-Lama rental housing have been lost; this has contributed considerably to the City's affordable housing crisis, especially as longstanding policies to promote affordable housing have started to fail.

After building after building exits the Mitchell-Lama program, solutions to rising rents have been implemented, but have not been enough to solve the growing lack of affordable housing options in the city. **[inaudible]** agreements between landlords and tenants that were put in place as a way to assist former Mitchell-Lama tenants who do not qualify for other subsidy programs have failed and are expiring [bell] and there are no real alternatives.

We also are aware that tenants who have received enhanced vouchers have dropped 50 percent, a decrease that may indicate tenants experiencing conditions that have forced them to move, such as landlord-tenant harassment, are speeding along the process of gentrification in many of our neighborhoods.

The last point I will make is that we are working with a number of Mitchell-Lama developments to help in the process of potential conversion to Article XI Regulatory Agreements; we feel that is one option for these buildings to consider, although there are many kinks that we would like to see worked out and hopefully with members of this council we can make that happen. Thank you.

CHAIRPERSON WILLIAMS: Thank you very much and thank you all for the work that you do; I know Council Member Rosenthal has some questions.

COUNCIL MEMBER ROSENTHAL: Thank you very much.

First of all, I'm curious for you as experts as having worked with these buildings for so long; do you think -- you know, HPD talked about some of the remediations, like offering Article II to Article XI as an option for the Mitchell-Lamas; apparently they're actively going after, you know, telling the managing agents not to allow Airbnb to happen; is there something more that -- and today we talked about getting stuff online, you know, making sure their material is online and not in paper form; are there other remedies that you think they should be taking on that the administration is not considering that we have not been asking about?

JEANNE POINDEXTER: I'd like to say that there some profound changes that need to be made; I've suggested one in my talk, but there also are other changes and they have to, as was pointed out earlier in the session today, some changes have to be made in Albany and so we have, [background comments]



1 at Cooperators United for Mitchell-Lama, we have  
2 supported, once again, changes in the law that would  
3 make it much harder for a Mitchell-Lama co-op to  
4 leave the system and so I ask you to watch what your  
5 councilmen, not only your councilmen, but your  
6 assembly members and your senators are doing with  
7 respect to how easy it is in the law, because the law  
8 is not made here, it's made in Albany and that's what  
9 makes it hard for us to control half of what's in  
10 Albany; makes it hard for us to protect the co-op.

11  
12 COUNCIL MEMBER ROSENTHAL: You're  
13 preaching to the choir.

14 JEANNE POINDEXTER: I know. I know, but  
15 there's a big choir in here today, so I wanna be sure  
16 it gets...

17 COUNCIL MEMBER ROSENTHAL: We need help  
18 in Albany, for sure. Betsy, you know the situation  
19 that you mentioned with the Clinton Towers; do you  
20 think that rises to the level of something that  
21 should go to their IG's office and has your office  
22 done stuff to encourage that to happen?

23 BETSY EICHEL: I mean I think it does,  
24 because the Board is made up of what is termed, you  
25 know members of Old Hell's Kitchen and there's -- I

mean I've only worked... I've been at HCC for two years, so that's as long as I've worked with the building, but the tenants have always said that the waiting list process is unclear, it's given to people, you know friends of the super and things like that, so I mean I think HCC would support, definitely, like more investigation into that and we have been, particularly our Executive Director Sarah Desmond was key in finding the zoning language that said that, you know they can't have a restaurant in the property, but I think there needs to be more oversight from the top as well... [crosstalk]

COUNCIL MEMBER ROSENTHAL: And in that situation, could -- what HPD was recommending was that the tenants elect a new board; in that situation, could the tenants do that?

BETSY EICHEL: Could they...

COUNCIL MEMBER ROSENTHAL: elect a new board... [crosstalk]

BETSY EICHEL: Yeah, I mean I... Yeah. Yeah, there hasn't been a huge push to do that, but I think the reasoning behind that is that they feel that nothing is going to change, so if there were guarantees that there would be change at the top and

increased oversight, I think a new election could...  
there would be more support for that.

COUNCIL MEMBER ROSENTHAL: But I guess  
what I'm asking is; in a new election, could you get  
the people who shouldn't be on the board out; could  
the tenants vote them out and have a true tenant-led  
board?

BETSY EICHEL: On the Board?

COUNCIL MEMBER ROSENTHAL: Yeah.

BETSY EICHEL: That I'm not sure of...

[crosstalk]

COUNCIL MEMBER ROSENTHAL: I think the  
answer [sic]...

BETSY EICHEL: but I would imagine yes.

COUNCIL MEMBER ROSENTHAL: Well I'm not  
sure... [crosstalk]

BETSY EICHEL: I mean maybe in other...  
ideally, yes, but in practice, I'm not so sure, so.

COUNCIL MEMBER ROSENTHAL: Correct. And  
I think the reason is because the sponsorship has  
more than 51 percent...

BETSY EICHEL: Right.

COUNCIL MEMBER ROSENTHAL: so I just  
think it's important we're aware of that; that, you

1 know, I agree with -- I think we need to understand  
2 how many of the 95 or 90, I guess...

3 BETSY EICHEL: Yeah.

4 COUNCIL MEMBER ROSENTHAL: are in that  
5 situation where the Board can't really vote them out  
6 and so you're stuck with something of an  
7 unscrupulous... uh you know, certainly questionable  
8 managing agent [sic]... [crosstalk]

9 BETSY EICHEL: Yeah, I mean... Yeah. There  
10 hasn't been... And another big complaint and something  
11 that we're working on is; you know tenants have  
12 really been shut out of board elections, board  
13 decisions, so exactly what you're saying; there needs  
14 to be more transparency there.

15 COUNCIL MEMBER ROSENTHAL: Thank you very  
16 much and thank you for all the hard work you guys do.  
17 Great.

18 CHAIRPERSON WILLIAMS: Thank you. Did  
19 anything that the agency say surprise you in terms of  
20 what they have, didn't have, was it regular [sic]...  
21 was this the complaints that you've been hearing all  
22 the time?

23 JEN BERKLEY: I was not surprised by a  
24 lot of the information that I heard from HPD, but I  
25

1 appreciated the efforts that members of the Council  
2 made to press for more details; we certainly are  
3 anxious to find out which five buildings are  
4 considering opting out; I have some idea, but I  
5 haven't had success in confirming that information.  
6 I also have heard the similar complaints as your  
7 offices about Mitchell-Lama rental waiting lists and  
8 how those are actually functioning and how come it  
9 does seem that friends of the super or other people  
10 who know people in the building seem to get in ahead  
11 of others; I've heard that as well. The one thing  
12 that I did not hear from them that I think is also a  
13 serious concern are the pretty significant rent  
14 increase proposals that some of the current Mitchell-  
15 Lamas are approached with by their owners and  
16 management that, you know, one last year, I believe  
17 in Council Member Rosenthal's district, Independence  
18 House and they're here today, was 45, 2 percent over  
19 three years, which is, you know, incredibly high; I  
20 mean I guess we often wonder if there could ever be a  
21 system where Mitchell-Lamas follow the RFB, you know,  
22 rental increased, but clearly you know there's a lot  
23 of expenses on the part of the owner, but we also see  
24 what I sort of perceive as an over-reliance on SCRIE,  
25

1 in that building again, more than -- like I think  
2 almost 70 percent of that building are seniors who  
3 receive SCRIE, so the owner knows that that money is  
4 gonna come from somewhere and I kind of feel like  
5 that's a disservice to taxpayers.

6  
7 BETSY EICHEL: I have one other point to  
8 the rent increase issue. I think also, what I found  
9 at least with Clinton Towers is that they don't... the  
10 rent increases are spaced very far apart and then  
11 they're a huge number and I think -- you know, I  
12 think most of the tenants understand that the program  
13 isn't... you know, it's not a charity; they can't run  
14 on a deficit forever, but I think it would be a lot  
15 easier to swallow if they were aligned with the RGB  
16 or at least, you know, more oversight so it wasn't  
17 going years between and then they're hit with a 20  
18 percent increase.

19 JEANNE POINDEXTER: I'd like to make one  
20 more point about legislation and how your decisions  
21 and the legislators in Albany impact the stability of  
22 the Mitchell-Lama co-ops. The co-ops, of course, are  
23 so beautifully affordable in terms of our monthly  
24 charges because of one particular number and that is  
25 our real estate tax abatement, which is granted to us

1 by the City Council and not the Albany people. But  
2 some of the legislation that's now being proposed  
3 actually combines the role of the Council with the  
4 role of the legislature in that the Council has the  
5 power to grant or not grant the real estate tax  
6 abatement, but that tax abatement should be a  
7 condition; one of the things we're recommending in  
8 our legislation, that the tax abatement should be a  
9 condition for a co-op to leave the Mitchell-Lama  
10 program if they decided that they wanna take that  
11 vote, so the vote would stand only if they were not  
12 receiving that beautiful tax abatement from the City,  
13 which is in the hands of this Council.

14  
15 COUNCIL MEMBER ROSENTHAL: Right. Right.  
16 That's right.

17 CHAIRPERSON WILLIAMS: Thank you. Thank  
18 you. It was a great point; thank you very much for  
19 the work you're doing and thank you for your  
20 testimony; appreciate it.

21 So we have to be out of this room, I am  
22 told, by 3:00, so we're gonna keep the clock on for  
23 two minutes; the closer we get to three, we may have  
24 to drop it down to one minute and we wanna make sure  
25 that everybody has the opportunity to speak.

So right now we have Nelson Jamey, shareholder for Nelson Jamey [sp?], Shareholders for the Betterment of Lindsay Park; Wendy Carlock [sp?], Lindsay Park Residents; Carmen Padilla, Shareholders for the Betterment of Lindsay Park, and Sharon L. Irby-Randall, Lindsay Park Co-Op.

[background comments]

COUNCIL MEMBER ROSENTHAL: If you could just state your name before you start; we're gonna put on the clock and if you could begin, that'd be great. Just... yes, just go in order.

NELSON JAMEY: Yeah, my name is Nelson Jamey; I'm a resident of Lindsay Park for 13 years now and thank you for having us and allowing us to talk.

Going back and reiterating what Councilman Reynoso had said; he said in 2012 that they had given us maintenance increases to justify fixes like elevators, roofs, mailroom, intercom, Local Law 11 and more, but it actually goes further back to 2008; between 2008 and 2010 we got a 31.5 percent maintenance increase and all the things that were promised for the justification of the maintenance increases we did not receive and again,



1 like Councilman Reynoso said, they did it again in  
2 2012 I think it was he said. The next thing I wanted  
3 to mention was; we just had an apartment inspection  
4 that was -- I think **[inaudible]** we were told by our  
5 management office by HPD, well that inspection was  
6 done -- well two of the people we know of that did  
7 the inspection that came to people's apartments were  
8 done by two of the sons of the gentleman who runs our  
9 management agency and they also live, I'm pretty sure  
10 illegally, in -- by skipping on the list -- in our  
11 buildings, which I think is a conflict of interest  
12 and corrupt. I'm not under a gag order, so I'm gonna  
13 say it. And the next thing was; it was mentioned  
14 also, our board and other branches who run our co-ops  
15 are under investigation by the DA, but are still  
16 making many [bell] principle [sic] decisions that  
17 will impact us for the next 20 years.

18  
19 COUNCIL MEMBER ROSENTHAL: Got it.

20 Please introduce yourself.

21 CARMEN PADILLA: Hi, my name is Carmen  
22 Padilla and I am the Chair of SBLP, Shareholders for  
23 the Betterment of Lindsay Park and we are an  
24 unincorporated association of shareholders of Lindsay  
25 Park Housing Corp., the largest Mitchell-Lama housing

cooperative in Brooklyn with 2702 units. We advocate for democracy, transparency and accountability against the Board of Directors and management by providing resources and information that is not provided by the Board of Directors or management.

In the topic of Rights to Organize, the Board of Directors refused to provide Shareholders for the Betterment of Lindsay Park with access to our community room which they provide to other shareholders free of charge. The Board has gone as far as providing shareholders that are isolated by language misinformation to inflict fear; they use our security to harass us and remove the flyers of information from shareholders' doors. I filed a complaint with HPD and the response I received was that that was not discrimination by putting misinformation in another language which we didn't understand, but that was freedom of speech. And also, if I have a problem with how the Board of Directors operates that I should join the Board. [background comments] [bell] Thank you.

WENDY HARLOCK: Hello, I'm Wendy Harlock [sp?]; I'm a resident of Lindsay Park. Almost everything in our complex is tainted with corruption,

but these are just a few of the things that I would like to talk about, some of which affect all Mitchell-Lamas, and the first thing that I would like to talk about -- unbeknownst to many people in this room, there was an HPD public hearing on Friday regarding succession rights that I attended. I'm concerned about the new amendments; they seem to be designed to take away the rights of those who succeed the original shareholder. After the shock of a loved one's death, the time period required to apply for succession is too short and many people who do successfully succeed the former shareholder are not shareholders but just renters, oftentimes unbeknownst to them; they do not inherit the shareholder status automatically; they are left to figure this out on their own that they must repurchase the original share or be willed the share in the estate of the former shareholder; most importantly, the voting power of the resident whom succeeds is lost, thus ensuring destabilization of the entire complex, as those who live there will have no say in their own governance and the decisions that affect them and their future. This is particularly troubling when voting for a buyout vote, because a very limited

number of people residing in the complex can exercise their right to vote, leaving many powerless. There seems to be willful malevolent omittance of the materials and information that are essential to shareholders so that they may know their rights.

There was a public hearing at HPD regarding succession late last year with HPD originally enacted laws affecting all residents of Mitchell-Lamas, which very few knew about. Again, there was an amendment to this decision and a public hearing last week in Lindsay Park [bell] and apparently other Mitchell-Lamas as well; not a word of this was shared with those whom it affects, a very small conference room was reserved for this anticipated meeting, as HPD must have known no one knew about it. Thank you.

SHARON IRBY: Hi, good afternoon. My name is Sharon Irby and I'm from Lindsay Park; I'm the Lindsay Park Board Vice President; I'm here on behalf of [inaudible] Austin, who is not here today; Miss Austin is ill.

I would like to thank the Brooklyn Borough President Eric Adams and Councilman Jumaane Williams, Chair of the New York City Council

Committee on Housing and Buildings for the opportunity to address this body on behalf of Lindsay Park Housing Corporation, a Mitchell-Lama Cooperative in Williamsburg, Brooklyn.

The current state of affordable housing in New York begs that we keep in mind the concerns and struggles of existing Mitchell-Lama complexes, especially those cooperative Mitchell-Lamas which bear the cost of everything, all vendor and professional contracts, all repairs, compliance with all building codes and laws, all while having to adhere to some conflicting City and HPD policies.

Question: Why aren't there income-minimum requirements when a prospective shareholder applies for succession rights at a Mitchell-Lama? Shouldn't the requirement be the same as for all other new shareholders coming in? The implications of this practice are multi-faceted and all affect Mitchell-Lama cooperatives adversely.

First, it sets a double standard for shareholders; secondly, it devalues the authority of the Board of Directors who constantly face the challenges of balance the co-op corporation's income and its expenses. Accepting applicants who have

1 previously been in arrears or had bad credit or show  
2 no source of income sets a very bad precedence for  
3 Mitchell-Lama complexes and place additional burdens  
4 on the existing shareholders, adversely affecting the  
5 financing of any co-op. When said shareholder is  
6 unable to [bell] fulfill payment of their  
7 maintenance... okay...

8  
9 COUNCIL MEMBER ROSENTHAL: Just wrap it  
10 up, please.

11 SHARON IRBY: okay, alright -- it sets a  
12 double standard for shareholders; secondly, it  
13 devalues the authority of the Board of Directors, who  
14 constantly face the challenges of balancing the  
15 corporation's income and expenses. Thank you very  
16 much.

17 COUNCIL MEMBER ROSENTHAL: Thank you.  
18 And was just reading my text from Council Member  
19 Reynoso, who, you know, talks this way, so he sends  
20 his love to all of you; you're a great group and you  
21 guys are down with the Board, you guys are good. So  
22 thank you very much.

23 SHARON IRBY: Thank you.

24 COUNCIL MEMBER ROSENTHAL: If I could  
25 call up the next panel. [background comments]

NELSON JAMEY: Excuse me. I just wanted to say one more thing before we left.

[background comments]

COUNCIL MEMBER ROSENTHAL: I don't think we have the time; you can approach me... I'm happy to chat with you offline.

NELSON JAMEY: Yeah, there was a misrepresentation here, that's why; the lady on the [inaudible]... [crosstalk]

COUNCIL MEMBER ROSENTHAL: I'll be happy to chat with you offline.

[background comments]

COUNCIL MEMBER ROSENTHAL: Georgiana Randolph, [background comments] Joyce Stickney, Frederick Dickerson, and Prima Watkins, if you could please come up, if you're here.

MALE VOICE: And also, if there's a Gloria Cuming Jean [sp?] here, we have your ID.

[background comments]

MALE VOICE: Gloria.

[background comments]

COUNCIL MEMBER ROSENTHAL: Okay. Can I also please call up -- if I mispronounce your name, I apologize -- the last name is Ruby Bernado [sp?] and

-- I just don't know the first name -- Hausik [sp?],  
54 Boerum Street, and also Naomi Chapley [sp?].  
Okay, please begin; just state your name and give  
your testimony.

PRIMA WATKINS: Alright. My name is  
Prima Watkins and I do live at a Mitchell-Lama co-op  
in Brooklyn and I live in a co-op that can come out  
of the Mitchell-Lama program; we have paid our  
mortgage. This is my first time ever doing this, so  
I don't... I'm sorry... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Deep yoga  
breath. I felt that way my first time too, just deep  
breath... [crosstalk]

PRIMA WATKINS: Okay. But one of the  
things, as a tenant, as a cooperator living in the  
co-op, I've become aware of is that, especially when  
we have to do the pointing [sic] of the building,  
it's called an article something; I don't know what  
it's called...

COUNCIL MEMBER ROSENTHAL: Article XI.

PRIMA WATKINS: Article XI; HPD does have  
to approve the contractors and whatnot. HPD takes an  
inordinate amount of time to do so and sometimes it  
causes our building to have to pay fines because we



1 start the work late and that is not good for our  
2 expenses; I mean it makes it an expensive proposition  
3 for us if HPD holds up the process, okay, so we do  
4 need for HPD to be a little more... to give us an  
5 answer quicker, you know, keeping in mind that we do  
6 have these deadlines, because as the lady mentioned  
7 earlier, the co-ops have to do everything we have to  
8 pay for everything and any fine is fined to the co-  
9 op.  
10

11 COUNCIL MEMBER ROSENTHAL: Okay.

12 PRIMA WATKINS: Another thing is the  
13 succession rights. The succession rights -- I was  
14 aware that in December of 2014 HPD made some changes;  
15 they had a hearing on the 29th to, they say, clarify  
16 those changes; it is not clear still to me about the  
17 succession rights; my mother also lives in a co-op  
18 and she recently went through the succession rights  
19 and she received a letter stating that she could  
20 succeed -- my father had passed away -- and no one  
21 gave us any direction or anything, it was just me; I  
22 said, "You know, mommy, I think you should [bell]  
23 have your name put on the shares," but what happened  
24 was; she was given a letter stating that she had the  
25

right to succession, but no one has reached out to us about putting her name on the shares... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Got it.

PRIMA WATKINS: so they're still in my deceased father's name and that's a problem.

COUNCIL MEMBER ROSENTHAL: Got it. Thank you. Yes?

JOYCE STICKNEY: Hi, I'm Joyce Stickney; I live in St. James Towers, one of the unnamed five buildings that are trying to go private; I am totally against that; I was on the waiting list for 10 years; I was on other waiting lists for like 15 years and it's a blessing to be in that building; I would be still working in my late 70s if I was not in my building, but there are things that are problems. And just the probing questions that went down today shows that there needs to be a standing subcommittee of the City Council Members just for Mitchell-Lama; that is really -- we sought -- seven years, we have to wait seven years again. The other thing is; in terms of... the discussion of the health -- I was surprised when the person from HPD said right out, we want to keep Mitchell-Lama. My relationship with HPD is that if you go and you find the actual laws and

1                   you look them up, they will actually answer a  
2                   question, but when we have been approached by our  
3                   board to go private and we ask for pros and cons,  
4                   both sides of the issues, we got nothing from HPD. I  
5                   said to HPD, "Aren't you gonna come out and give us  
6                   some straight unbiased information?" They said, We  
7                   can't because we will get sued by your Board; we have  
8                   been sued by other Boards." So they are not making  
9                   information available to us; you have to find it  
10                  yourself or you have to go to Cooperators United for  
11                  Mitchell-Lama, which is a wonderful organization who  
12                  will give you information on pros and cons. And just  
13                  the kind of abuse that the Board does; when we voted  
14                  on a feasibility study, with no information to most  
15                  people -- [bell] I just have to finish it -- the  
16                  proxy that we were given said you could only give  
17                  your proxy to a member of the Board and their names  
18                  were on it, that's all; you couldn't give it to your  
19                  sister-in-law, your brother or anybody else; you  
20                  could only give it to them. And you were actively  
21                  encouraged by the management company to not even go  
22                  to the meeting, to give your proxy to the management  
23                  office or to one of those people on the Board. Thank  
24                  you, long live Mitchell-Lama... [crosstalk]  
25

COUNCIL MEMBER ROSENTHAL: Thank you very much. I'm gonna call up the next panel -- Mary Fouts [sp?], Shelly Holtzberg; Jasmine Askew, and Regina Mankowitz [sp?].

[background comments]

MALE VOICE: Folks, could we have quiet in the lobby, please; quiet in the lobby.

COUNCIL MEMBER ROSENTHAL: I'm just gonna call up -- oh... [background comments] Okay, great. Thank you. I'm just gonna call up one more person, Trina Regis [sp?], to just have a full panel. Okay. Could you please start?

FEMALE VOICE: Thank you for hearing us today; we look forward to a great deal of increase of oversight of HPD as a result of these hearings.

I had some prepared remarks, but I want to talk instead about what we seem to be hearing from Ms. Walpert, specifically, about the powers of HPD, which were a great deal stronger than she has been telling you. You're heard HPD can't do anything about board members who are credibly accused of favoritism, disregard of the rights of shareholders and even corruption, but the Private Housing Finance Law expressly has given HPD the right to remove some

or all board members for reasons adequate to HPD; it has used that right in our building, Cadman Towers. Many years ago, when our board was found to have been engaged in malfeasance; removed the entire board; HPD could do that again.

As for managing agent, you've gotta remember, HPD has the power to approve or disapprove the contracts that appoint them and renew them in each building; HPD can refuse approval when a managing agent has a history of ignoring waiting lists or engaging in favoritism, HPD has these powers; it's up to this committee to see that they use them. Thank you very much.

COUNCIL MEMBER ROSENTHAL: Thank you.

SHELLY HOLTZBERG: Hi, I'm Shelly Holtzberg; I am a Board Member at Cadman Towers; I am also very grateful to be living there. I've heard a lot of negative things and I did not come here to make those kinds of remarks.

One of the major reasons I came here was that I heard the Borough President say that there was something about aging in place and I wanna point out that I've given a proposal to Council Member Stephen Levin and I brought a copy or two. We're very

1 unique, we have a nurse that comes in two half-days,  
2 we are bringing in possibly a social worker, but in  
3 addition, we sponsor a bus to Fairway once a week, we  
4 have a library in the building; we care in so many  
5 ways; all the staff is very involved and just like  
6 the buildings are aging, so is the population.  
7 Nobody moves, nobody and there's a reason they don't;  
8 we're very lucky and I said to somebody I was sitting  
9 to [sic], I know I am blessed to live there and I  
10 truly believe that.

12 I also wanna talk a little bit about  
13 Article XI, which is the one co-op that Julie talked  
14 about and we are the co-op that is considering it; it  
15 is not a **[inaudible]** complete, but because we are  
16 facing such huge capital expenses and if we took the  
17 numbers and put them into a loan, then all the  
18 building would be getting something like a 20 percent  
19 increase and if we wanna keep people in place, it's  
20 not only physical; it's also financial and Article XI  
21 would give us the opportunity to try to keep the  
22 maintenance at an even keel. So I just wanted to  
23 bring up those two points; I'd like to give you the  
24 proposal; I hope you'll look at it, because other co-  
25 ops in the area -- 140, etc. -- are coming to see

what we've done [bell] and I think you would be impressed at the kinds of services we provide.

COUNCIL MEMBER ROSENTHAL: Thank you; the sergeant at arms will collect it.

SHELLY HOLTZBERG: I took two; I don't know if that's enough; I'll give you a third...  
[crosstalk]

COUNCIL MEMBER ROSENTHAL: Plenty.

SHELLY HOLTZBERG: Here.

COUNCIL MEMBER ROSENTHAL: Could you please continue? Thank you.

JASMINE ASKEW: Hi. My name's Jasmine Askew; I'm speaking on behalf of Adele Niederman, the President of Cooperators United for Mitchell-Lama.

So CU4ML is an organization of residents and shareholders in Mitchell-Lama co-ops to work on preserving Mitchell-Lama co-ops as permanently affordable, moderate-income housing in New York City. We wanted to let you know that there are currently 86 developments with 61,600 and... [interpose, background comment]

COUNCIL MEMBER ROSENTHAL: That's alright.

JASMINE ASKEW: Can you hear me?

COUNCIL MEMBER ROSENTHAL: Go ahead.

Yes.

JASMINE ASKEW: Okay -- 61,625 units; since our creation in the 1950s, only ten developments have withdrawn from the program. As you know, the rentals have been torn apart and it's basically a dismantled community and so we wanted to address and ask for help from the City Council to deal with three different types of problems confronting our cooperatives.

HPD needs to improve and upgrade their enforcement of regulations that govern Mitchell-Lama cooperatives; Board of Directors and management companies that pursue privatization in hopes of realizing personal profits must be restrained in their abuse of powers over the housing corporation and we also need relieve from Albany and urge the City Council to send a resolution to the State legislator in support of bills that impose a moratorium on privatization efforts.

And we urge the City Council Housing Committee to insist that oversight agencies HCR and HPD intensify their monitoring of buildings in the midst of a privatization battle. First, prevent



Article II to XI conversation, verify primary residence and confirm that shareholders who reside in their apartments, restrict windfall profits by introducing passing legislation that would recoup tax subsidies [bell] the co-ops enjoyed over their lifetime, if they do privatize.

COUNCIL MEMBER ROSENTHAL: That's right. I'm with you, sister.

TRINA JACKSON REGIS: Good afternoon. I'm speaking on behalf of... [interpose]

COUNCIL MEMBER ROSENTHAL: Can you bring the mic toward you? Thank you.

TRINA JACKSON REGIS: Thank you. Can y'all hear me now? I'm a little nervous; sorry. I'm not... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Don't be; deep breath.

TRINA JACKSON REGIS: Okay. Good afternoon, my name is Trina Jackson Regis and I'm not representing any organization, I'm just a displaced victim and a lost tenant that -- I seem to be being lost in the housing system.

To Whom it May Concern: I am a 37-year-old displaced female that has been dealing with this

new **[inaudible]** LINC voucher close to seven months now; I have also been on the New York City Housing Authority list over five years; we're being removed from a situation that was harmful to me, as well as a safety risk, per the City of New York and by HRA, HPD investigation. I advised July of 2015 and was the first resident on the emergency hotel site. In the beginning of this so-called housing program that was issued by de Blasio, it was explained we were only to be placed temporarily and then was issued the first housing vouchers, which was the LINC Program; I was qualified for LINC 4. I was given my voucher July 2015, which expired September 2015; in that period I was never offered any rooms and/or apartments, but I did begin to fill out Mitchell-Lama applications; then I received something called a **[inaudible]** voucher, which was received also in September 2015; since then, I am periodically offered only rooms which locations are really unreasonable, such as Far Rockaway and Staten Island. I feel I am only offered these rooms because it is more convenient to be placed, which is not understandable; I am trying to reunite, as well as many others **[inaudible]** with my family; I can't understand why these housing programs

such as HPD, HRA are not promoting these vouchers to these landlords; also explain it at the same time these tenants have not [bell] established credit and/or can't afford these application fees. As a resident of New York City, I am crying out for help to the City Council of Brooklyn for more advocacy for affordable housing and for the residents not only of Brooklyn, but of New York City. Thanks for your time. Sincerely, **[inaudible]**... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Thank you very much. Thank you. Thank you for coming today; really appreciate it.

TRINA JACKSON REGIS: Thank you.

COUNCIL MEMBER ROSENTHAL: I'm gonna call up the next panel -- Marion [sp?] Goldberg, Tom Rashardy [sp?], Mrs. Barbara Bing and Zomara Perdosos [sp?]. [background comments] I'm sorry. Please; can you start?

SERGEANT AT ARMS: Quiet please.

MARION GOLDBERG: Good morning or it's now good afternoon. My name is Marion Goldberg and this testimony is on behalf of persons with disabilities who qualify for succession rights in Mitchell-Lama co-ops and who also have special needs

1 trusts. For the last two years I've been trying to  
2 get answers to questions from Council people, from  
3 the Borough President's Office, from lawyers, and  
4 from HPD to no avail, so I came here with hope.

5  
6 A special needs trust is a trust where if  
7 you have a disability and someone dies and you  
8 inherit stuff, you don't inherit directly; the  
9 inheritance goes to the special needs trust;  
10 therefore, the disabled person is able to receive  
11 governmental entitlements like SSI and Medicaid with  
12 that not being interfered with because they have  
13 assets and in this case it would be equity in a  
14 Mitchell-Lama apartment; okay?

15 So these are my questions: Can the  
16 equity, the lease and the rights and shares be  
17 bequeathed to a special needs trust? Or preferably,  
18 this is a better question; can the rights and shares  
19 of the Mitchell-Lama co-op be bequeathed to the  
20 disabled person and the lease and the equity be  
21 bequeathed to the special needs trust? Or -- and I'm  
22 not a lawyer, so I don't exactly [bell] know how to  
23 ask the question -- can the lease and the rights and  
24 shares be bequeathed to the person and the equity be  
25 bequeathed to a special needs trust?

COUNCIL MEMBER ROSENTHAL: Can I recommend that you take a little time; you can submit it any time, but I'd like your testimony in writing so we can make it part of the record?

MARION GOLDBERG: Okay... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Great, but I'm gonna... We have to move on, unfortunately; we have [inaudible] people... [crosstalk]

MARION GOLDBERG: Alright. Somebody said we need direction; how do you write these things up so the person doesn't have to go to... end up in court or can get their rights as a shareholder... [crosstalk]

COUNCIL MEMBER ROSENTHAL: These are all good questions; I'd love them to be part of the record, but we have to move on... [crosstalk]

MARION GOLDBERG: Okay, [inaudible].

COUNCIL MEMBER ROSENTHAL: Thank you.

MALE VOICE: Hello everyone. Thank you to the Committee, Helen, we're very grateful. My wife and I are very grateful to be in Independence House as tenants; I'm a vet, a senior and we are at 176 West 94th Street. I became the elected tenant representative about a year-and-a-half, two years ago and have been challenging an abusive rental increase

proposal of about 40 percent; that expedition and research led me into enormous, massive irregularities, inconsistencies and outright financial misrepresentations and willful abuse of the program, Mitchell-Lama program and especially the senior tenants, where 76 out of 120 apartments are apportioned for seniors, according to HPD. So this abuse artificially has resulted in artificially inflated rents for tenants, substantially above any acceptable increases approved by Mitchell-Lama operating rules or any RGB guidelines. Renegade [inaudible] ownership that promotes and condones and looks the other way on warehoused apartments used as transient internet hotels, management that sponsors substandard, illegal commercial rentals of Mitchell-Lama commercial building space in violation of their own Mitchell-Lama rules. HPD has systematically and willfully breached the betrayal of trust of seniors, financially abused them and harassed seniors and low-to middle-income tenants; this resulted in the systematic and willful plunder of New York State, City government subsidy programs, such as SCRIE, DRIE, HUD and [bell] and Section 8. Just because the landlords get their increase doesn't mean that

they're not raking the money off those programs illegally.

COUNCIL MEMBER ROSENTHAL: Thank you very much and thanks for all your hard work with Independence House. Next.

BARBARA BING: Hi, my name is Barbara Bing, Lindsay Park resident; also, I represent the shareholders for Lindsay Park.

I'd like to first of all say thank you to the Council and the Mitchell-Lama Task Force and to everyone that put this forum together. I said that I was appalled that I went to HPD, 100 Gold Street on the 25th; there was supposed to be a hearing on succession rights; I had read over it on the internet and it appeared to me, because I'm raising my nephew from 3 years old; now he's 29, he still lives with me; it said the elimination of nephew, niece and others under only one that was accepted was husband, wife and children; even though we went to this hearing, she decided -- Julie Walpert said, "We won't be answering any questions here; you just make statements here." So we all sat there like, well what are we doing here, you know this is a hearing

here where we can voice our opinion, get some answers and get some feedback, so I applaud you for that.

Also on the website it indicated that the people on the list for five years, you don't have to accept them back on the list if they call you for an apartment. I said wait a minute, some people got overlooked for an apartment, so how do you not put them back on the list for the apartment? And that's an issue that needs to be taken up. I feel a person that has succession rights should've had the succession papers in their hand when they moved in, because how could we give succession rights to someone upon our death? If it was in the package [sic], we wouldn't have this problem right now...

COUNCIL MEMBER ROSENTHAL: Right.

BARBARA BING: we could sign it over to who we choose to and present it to the office at death.

COUNCIL MEMBER ROSENTHAL: Again, this is very helpful -- suggestion; could I urge you to put it in writing, send it in to the Committee...  
[crosstalk]

BARBARA BING: Yes.



COUNCIL MEMBER ROSENTHAL: and we'll have it be part of the permanent record?

BARBARA BING: Okay, thank you.

COUNCIL MEMBER ROSENTHAL: Thank you. Yeah. And Tom, you're... did you submit...

ZUMARA PEDROSO: Yes, good afternoon; my name is Zumara Pedroso [sp?]; I live in Lindsay Park and I have a question. The management office at Lindsay Park, at one time their name was [bell] Elm Management; when they changed their name to Zenith Management, they never told anybody at Lindsay Park that they had changed their name. Yesterday I walked by 202 Union Avenue, which is where management office is housed and on the building, as you walk in, there was a sign there that said, Arier [sp?] Management, a phone number; apartment available. There's no room in that building...

COUNCIL MEMBER ROSENTHAL: Right.

BARBARA BING: so that means that Zenith must've changed their name again and didn't tell the Lindsay Park tenants. Isn't there a law against that?

COUNCIL MEMBER ROSENTHAL: Sounds like...  
[interpose]

BARBARA BING: So...

COUNCIL MEMBER ROSENTHAL: you guys have  
a lot of good 311 calls to make and sounds like HPD..  
[crosstalk]

BARBARA BING: Yes.

COUNCIL MEMBER ROSENTHAL: is gonna be  
held their feet to the fire to do something about it...

BARBARA BING: Yes.

COUNCIL MEMBER ROSENTHAL: it's  
definitely an issue that's been brought up today; I  
didn't mean to cut into your time, but alright..  
[crosstalk]

BARBARA BING: That's okay and also, the  
other thing would be, again with the proxies and as  
far as the Board of Directors; even the president  
only gets two terms; these people have been there for  
20, 30 years and don't they get rid of the management  
if people are murdered? Eighty percent, **[inaudible]**  
in the building, they cut the list; this couple was  
murdered at Lindsay Park and this is the same  
management that's running it. They have their  
relatives doing inspections, they have their daughter  
running the pool, they have their brother or their

uncle who is in charge of doing the repairs and they have another one doing maintenance, so they're keeping it all in the family. Also, [inaudible] on the top floor have never been open to us. I live on the 18th floor and I... I live in building four; when I look out, I see the people or [bell] shadows of people on that level on the roof that have access and they're using it; also they had a party or something up there, so again... [crosstalk]

COUNCIL MEMBER ROSENTHAL: So again...

BARBARA BING: it's not fair.

COUNCIL MEMBER ROSENTHAL: Yeah.

BARBARA BING: They need to get rid of the management, because they're locked in -- two years; there should be a limit to that.

COUNCIL MEMBER ROSENTHAL: So again, it's not my district, but what I would recommend is work closely with your council member; sounds like he's on top of it, but you know, one thing I always say to the residents in my area; even if you feel like you've called 311 a thousand times, call again, call again and call again and the more you get those 311 calls in, the higher it goes up to the list of concerns that HPD has to deal with and often I find

people feel like they had flooded 311 with calls, but when I really asked them, they honestly say, well I haven't reached out in the last couple years. You can always look up on the HPD's website whether or not your complaints has registered there, so I really encourage you -- 311, 311 and 311.

I'm gonna call up the next panel -- Carmen Ithier, Helen Salvaterpeter [sp?], Kelly Matthew, and Ida Fenner, and again, thank you for your testimony. Good. Thank you, yes. [background comments] Thank you. [background comments]

CHAIRPERSON WILLIAMS: Alright, I guess we can start with Carmen; each of you will have two minutes and then you can move down.

SERGEANT AT ARMS: Quiet please.

[background comments]

CARMEN ITHIER: Thank you. My name is Carmen Ithier and I'm [inaudible] on behalf of Mitchell-Lama Residents Coalition. My statement today is regarding the regarding the SCRIE and the DRIE program. My building is a former Mitchell-Lama and doing that we opened [inaudible] some of our tenants had to go into agreement with the landlord, called a [inaudible] Program, and so I'm here to say

that we could support a bill by **[inaudible]**, bill 2015-S6244 [sic], which will extend the SCRIE and the DRIE programs to such tenants that are in the **[inaudible]** program. Thank you.

HELEN SULPIERRE: Okay. My name is Helen Sulpierre [sp?]; my husband and I live in Amalgamated Warbasse Houses in Coney Island; it's a Mitchell-Lama co-op that went up in the early 60s. We raised our children there and now we're retired and we both live there.

Amalgamated Warbasse was conceived of as a middle-income co-op, a co-op in the true sense of the word; not a profit-making organization, but a decent place to live at affordable rent and raise your children; now we are facing an almost 10 percent rent increase this year and another 10 percent increase next year, 20 percent in two years. It seems like our middle-income co-op will soon be unaffordable to middle-income people. Is our Borough of Brooklyn joining Manhattan as it seems it is becoming a borough of only either super rich or poor people, pushing the reliable middle-class out of our borough as these trends have done to Manhattan, which

is unfortunately the borough of millionaires,  
billionaires or very poor or homeless people.

We the people want to know what we can do  
about this situation.

IDA FENNER: Good afternoon.

CHAIRPERSON WILLIAMS: Afternoon.

IDA FENNER: My name is Ida Fenner; I  
wish to thank Councilman Williams, Borough President  
Adams and the Council Committee for allowing me to  
testify today. My testimony is very short.

I'm very concerned about seniors having  
to worry about where they will live. I am 77 years  
old; I worked 36 years; I don't think at this point  
in my life I should have to be worrying about where  
to live, but how to live. I think everybody should  
form together and try to find a way that we can live  
in our homes that we are in now without rent  
increases; we do not have the money to pay a rent  
increase; we do not want to go to shelters; we need  
someone to really work for us and try to avoid rent  
increases; I don't know anything about Section 11,  
buyouts or anything else; I just need a rent  
stabilization.

And I also would like to see if someone, when the information comes out about programs like SCRIE, could have it sent directly to the seniors, because sometimes when it gets into the management offices we never ever found out about it; we have to find out through other sources from outside and that shouldn't be. So I just need someone to work with us and help us to stay in Mitchell-Lama at a decent rent. Our rents should already be frozen; we shouldn't have to get into the SCRIE program to have our rents frozen. Thank you.

KELLY MATTHEW: Okay. My name is Kelly Matthew; I live in Amalgamated Warbasse, which is Mitchell-Lama; the same thing like you, and we are having 10 percent right now in April 2016 and 10 percent again in 2017. It's not that they have not done work, but putting up all the time because every two years we got an up [sic], but now it's really, really going up there and we're not sure how long it's gonna say, if it's only those two years and then next year again they're going to put it up and put it up. So I am retiring right now and we need to do something about it; I don't know what you can do, but that's what I would like to be done. Thank you and I

[inaudible], you know, [inaudible], okay, in Warbasse, yes.

[background comments]

KELLY MATTHEW: Warbasse.

CHAIRPERSON WILLIAMS: Thank you so much for the testimony; that does sound definitely like a lot and then it's actually more than 20 percent; they're giving you 10 percent now [background comments] and 10 percent of the new rent?

KELLY MATTHEW: Yes.

CHAIRPERSON WILLIAMS: So that's pretty high; we're gonna continue...

KELLY MATTHEW: It's very high, very high.

CHAIRPERSON WILLIAMS: to try to... [background comments] We can try to look into it; it's very difficult -- I can't imagine what that's like, particularly if you're on a fixed income, so we'll try to look into it. And Miss Ithier, you're on the Board of Tenants and Neighbors that hired me, so I thank you very much for that opportunity. Thank you so much for the work that you continue doing.

KELLY MATTHEW: Okay.

[background comments]



CHAIRPERSON WILLIAMS: And some people asked me when I was stepping out; every one is going to have an opportunity to testify [background comments] who put in a list to testify; we may have to change the amount of time you have, but we're gonna make sure that everybody gets in.

Monica, I think it's Sturge [sp?] or Sturley [sic], (MAAC) Mitchell-Lama Action and Accountability Coalition; Jane Lockley, MAAC, Linden Plaza Tenants Association Council; Mary De Suze, [background comments] Linden Plaza MAAC, and Pamela Lockley, Linden Plaza MAAC.

SERGEANT AT ARMS: Once again, do not approach the stage; if you have any questions, raise your hand and we'll come help you out.

CHAIRPERSON WILLIAMS: Monica Sturley?

MONICA STURLEY: Yes.

CHAIRPERSON WILLIAMS: Is it Sturley; is that...

MONICA STURGE: Sturge.

CHAIRPERSON WILLIAMS: Sturge. Okay.  
Jane Lockley?

JANE LOCKLEY: Yeah. Yes.

CHAIRPERSON WILLIAMS: Good afternoon.  
Mary de Suze?

MARY DE SUZE: Good afternoon.

CHAIRPERSON WILLIAMS: Good afternoon.  
Pamela Lockley. Alright, you can begin in the order  
you prefer.

MONICA STURGE: Good afternoon everyone,  
especially Councilman Jumaane, thank you for this  
hearing. And I would like to also thank Borough  
President Eric Adams; he heeded our request from MAAC  
to have this hearing; we really thank the task force  
for organizing it. Okay. I'd like to give my  
testimony.

My name is Monica Sturge; I'm a member of  
the Brooklyn Mitchell-Lama Task Force that was formed  
in 2000 at the pleasure of the Brooklyn Borough  
President and also a member of the Mitchell-Lama  
Action and Accountability Coalition, called MAAC that  
was formed in 2015.

MAAC was formed by residents from various  
Mitchell-Lama developments to address the various  
issues involving the supervisory agencies HPD and  
DHCR failing to adequately address the concerns of  
Mitchell-Lama tenants and co-op owners. I have lived

at my residence for the past 42 years. Generally speaking, HPD and DHCR have shirked their responsibility by not properly monitoring the financials and maintenance of Mitchell-Lama developments and ignoring complaints of Mitchell-Lama residents regarding: 1. the lack of transparency by co-op boards to its shareholders; 2. inflated and downright fraudulent budgets being produced at rent hearings -- residents pay for the same capital improvements several times; 3. by ignoring shareholder petitions that ask boards not to encumber their properties with scandalous mortgage loans before seeking grants that are available to them; 4. hiring managing agents and attorneys who have been cited for gross mismanagement in the State of New York, Office of the Inspector General [bell] and in-depth report by the by the Division of Housing and Community Renewal Oversight of the Mitchell-Lama program dated 2007 and the recommendations thereof; 5. ignoring recommendations cited. See... and these things are attached, these things are attached and several other things.

And I will go on to -- MAAC would like to recommend that the State and City legislators

1 supervise the supervisory agencies under their  
2 domain, since they are apparently incapable of doing  
3 so. We would also recommend that all Mitchell-Lamas  
4 should be audited for the years 2010-2016. We are  
5 also requesting transparency for the millions of  
6 dollars [bell] that have been allocated to Mitchell-  
7 Lama developments by the Governor, etc., and this  
8 will passed to him [sic].

10 CHAIRPERSON WILLIAMS: Thank you.

11 MONICA STURGE: Thank you.

12 JANE LOCKLEY: Good afternoon. My name  
13 is Jane Lockley and I'm a member of the new  
14 organization MAAC, which we just explained to you, as  
15 well as a secretary to Linden Plaza Tenants Council  
16 Leaseholders.

17 I'm here today, but the issue I would  
18 like to discuss is about HPD succession rights  
19 procedure. It is clear that HPD succession rights  
20 were created to prevent those not on the waiting list  
21 to taking residency in Mitchell-Lama apartments. HPD  
22 requires two things; that the person has to reside in  
23 the apartment for two years or one if they're a  
24 senior and they have to be on the income affidavit  
25 for a certain period of time.

However, according to HPD's Rules and Regulations for Succession Rights, Section 235(f) of the Real Property Law, is the foundation for HPD to determine who is a tenant and who is an occupant. It's from these rules that HPD determines who lives in the household and who has to request succession rights when a tenant of record leaves. However, a review of HPD determinations for succession rights revealed HPD is not following their own rules, regulations and Section 235(f) of the Real Property Law. Section 235(f) is clear, that if the person remaining is a party to the lease and required to pay the rent; this person does not have to apply for succession rights and is legally considered a tenant, according to HPD Rules and Section 235(f); in contrast, an occupant must apply for succession rights.

Despite this knowledge and practice, HPD, when it serves their purpose, will ignore, without explanation, these very basic laws and rules. As a person who is directly affected by HPD's [bell] refusal to follow their own rules and law, I came today on behalf of myself and hundreds of HPD Mitchell-Lama residents to ask for immediate

accountability and oversight of HPD by the New York City Council.

MARY DE SUZE: Good afternoon everyone. My name is Mary De Suze; I am also a member of MAAC and I'm a long-time resident of Linden Plaza.

The City of New York does not have a grievance and complaint process, a policy for Mitchell-Lama renters and cooperators. My husband and I have been residents of Linden Plaza for the past 37 years; the Mitchell-Lama program gave us the opportunity to have a safe and decent place to live and below market rates. All of this changed on April 9th, 2008 when the owners refinanced the mortgage; management sent us a letter telling us nothing would change on the day to day operations at Linden Plaza, everything would stay the same; this turned out not to be true. In a matter of two years my below market rate apartment went from affordable to unaffordable housing when the owners began charging me illegal rent. My husband and I have always paid the maximum permissible rent established for the Mitchell-Lama program; between 2008 and 2010 our out-of-pocket rent increased by \$600. Rents this excessive are prohibited under the Mitchell-Lama,

rent stabilization and rent control; rents this excessive are also prohibited under Federal Law for apartments not covered under a HUD project-based contract. HPD and the new owners blame \$50 million in needed repairs and renovation for the excessive rent. HPD was supposed to make sure the Mitchell-Lamas and its portfolio were well-maintained in a cost-effective manner. This \$50 million figure was never confirmed. There are many unanswered questions regarding the work, [bell] the work that was done.

So just to sum up and just to let you know, out of this, my out-of-pocket expenses total 93 percent in a matter of two years in a supposedly Mitchell-Lama affordable building, which -- and I will turn in the rest of my testimony for your review. And the only other thing that I ask in summing up is there is a process through DHCR where tenants can complain; my whole problem here is that DHCR right now has a process for complaints and grievances and there is nothing for us here for City-aided Mitchell-Lama. I thank you for allowing me to come before you and bring this very important and serious issue to your attention. Thank you.

FEMALE VOICE: Good afternoon.

CHAIRPERSON WILLIAMS: Good afternoon.

FEMALE VOICE: I first would like permission to read two testimonies so I can take care of that. One of the people from Lindsay Park had to leave and she asked me if I have permission, so I would need extra time; do I have... [crosstalk]

CHAIRPERSON WILLIAMS: She can submit it to...

FEMALE VOICE: She can just submit it?

CHAIRPERSON WILLIAMS: Yeah, she can submit it for the record... [crosstalk]

FEMALE VOICE: Okay. Alright, fine. Okay. Before my time... I wanted to ask you a question; can you stop the clock for a minute? Can I ask you a question...? [crosstalk]

CHAIRPERSON WILLIAMS: We can't stop... we can just keep goin'... [crosstalk]

FEMALE VOICE: Okay. The question -- well I wanted to just make a statement; I was hopin' Miss Julie Walpert was still here and I remember that you previously were goin' through a lot -- asking her about the waiting list; what you may not be aware of is, especially in a development like ours; what they did was, they refinanced the mortgage and they got



1 tax credits and as you know, the City of New York  
2 dedicated tax credits to the homeless population, so  
3 what happened was, they dedicated 70 percent or more  
4 of our units to the tax credit program; those tenants  
5 for the most part are not eligible to live in  
6 Mitchell-Lama housing and they never told us. So we  
7 spoke to Miss Julie Walpert -- if you want me to  
8 follow up, I have the minutes for the meeting, I have  
9 the agenda from October 10th, 2010 where Miss Walpert  
10 and everyone on the record told us that our Mitchell-  
11 Lama waiting list was being pushed aside so that they  
12 could bring these homeless people out of shelters  
13 into our Mitchell-Lama development; that's what she  
14 did not tell you. Okay.

15  
16 And as far as my testimony, I'm gonna cut  
17 it short; what I'm going to say is, regarding rent  
18 increases, it is clear in their rules that rent  
19 increases are not supposed to be granted when there  
20 are problems with substantially maintaining the  
21 building.

22 CHAIRPERSON WILLIAMS: 'Kay you've got...

23 [sic]

24 FEMALE VOICE: Okay -- when there's  
25 problems with maintaining the building. Under Title

20, Chapter 3, it says, no rent increase will be granted when [sic] at discretion of HPD the rental development is not substantially maintaining essential services. HPD had access to 311 reports; we had hundreds of serious violations; we were also in the *Daily News*; November 2014 our housing company was listed as one of the worst landlords in the city. Jeffrey Klein just did a report; Linden Plaza was listed as one of the dirty dozen for vermin, floods, mold, elevator breakdowns, and so on; this did not stop Vicki Been from signing on for a new rent increase to add onto renovation expenses that, according to the Court of New York, the State court, renovation expenses in a Mitchell-Lama is always temporary and this is something that needs to be looked into.

To conclude my testimony, we are asking the City Council to step up and take over HPD completely and take these developments from them completely; they're incapable of doing their job. Thank you very much.

[applause, cheers, [background comments]

[gavel]

CHAIRPERSON WILLIAMS: Don't forget... Can you please remain seated? Will you please remain seated? Thank you.

Thank you very much for the testimony. I would say; we can't take over an agency; we can try to push them to do the job that we think they should be doing... [interpose, background comment] we don't hire the commissioner either. But I did wanna understand; did you hear the system they said they had for grievances; are you saying one doesn't exist at all?

FEMALE VOICE: Nothing is... [interpose, background comment] I'm sorry. Yes, okay. I've looked into it and what they call a system for grievances is really not a system for grievances. As most of you know, there is a system on DHCR's website where rent-stabilized tenants and rent-controlled tenants can go in and pull down forms; there's a whole process they go through, so you pretty much -- when you go through that process, you get a docket number, you know for certain what they are going to do, when they're going to do it; there is a time limit on when you can respond and when they will

respond; there is nothing like that. We have been through this with HPD... [crosstalk]

CHAIRPERSON WILLIAMS: So when you wanna make a complaint, what do you do?

FEMALE VOICE: Call either Julie Walpert or -- I should say Assistant Commissioner Julie Walpert or Director Gary Sloman, but once again... [interpose]

CHAIRPERSON WILLIAMS: And do you get a tracking number for your complaint?

FEMALE VOICE: No, we've never gotten a tracking number for anything.

CHAIRPERSON WILLIAMS: I believe they did tell us that there was a tracking number that we got [background comments] for the complaint, so.

[background comments]

FEMALE VOICE: Right. If there is such a thing; she never let us as tenants know in Linden Plaza there was a... [crosstalk]

CHAIRPERSON WILLIAMS: So when you make a complaint to HPD, you don't get any tracking number for that complaint?

[background comments]

FEMALE VOICE: No. No.

[background comments]

CHAIRPERSON WILLIAMS: Okay.

[background comments]

FEMALE VOICE: That's the whole thing;  
there is no process and if there is a process, she  
should've made it known and exactly -- she should've  
put a number out there...

CHAIRPERSON WILLIAMS: Okay.

FEMALE VOICE: of someone to contact.  
DHCR has a 24-hour hotline that was recently put into  
effect. I did my homework, I looked it up; I mean  
it's not the end all and be all, but it's a start...

[crosstalk]

CHAIRPERSON WILLIAMS: Have you tried..  
Have you also made complaints through 311?

FEMALE VOICE: Yes, elevators; whatever  
we... [crosstalk]

CHAIRPERSON WILLIAMS: Okay.

FEMALE VOICE: have, we've been calling  
311.

CHAIRPERSON WILLIAMS: Okay. Thank you  
very much.

[background comments]

FEMALE VOICE: You could help us. DHCR has a Mitchell-Lama complaint process; if you could work with the DHCR and ask them would they include the city-aided, 'cause right now they're only including state-aided; that would be a start of just a matter to do that. And also, we need a process for rent increases and carrying charge increases, because right now there is no administrative process for people to challenge those rent and carrying charge increases after they've been approved...

CHAIRPERSON WILLIAMS: Okay.

FEMALE VOICE: and that's violating our due process rights.

CHAIRPERSON WILLIAMS: Thank you.

FEMALE VOICE: Thank you.

CHAIRPERSON WILLIAMS: I'm afraid to ask this, but; is there anyone left from HPD or the administration still here? [background comments] Okay, so I need to admonish the administration for not remaining after they testified. With all the energy and frustration that's been here, I'm very disappointed that no one from HPD [background comments] and no one from the administration is here; I'm actually disgusted by that, and so we've had a

lot of complaints, a lot of issues; I think it's very insulting to the people who are here in this hearing that there is no one from the administration and no one from HPD that remained here to hear the complaints that are going on and disrespectful to the process that we set forth.

We're gonna have to, unfortunately, cut down everyone's time to one minute so that we can get everybody in, so I apologize for that. Richard -- I think this is Heitler, on behalf of Christine Fowley, Cooperators United for Mitchell-Lama; Gloria John; Sharon Torres, and Alex McDonald.

So is Richard Heitler on the way up?  
[background comments] Gloria John on the way up?  
Sharon Torres? [background comments] No Sharon Torres. [background comments] I'm sorry? Is Sharon Torres coming? [background comments] She's not coming? Oh you're not testifying. Okay. Alex McDonald? [background comments] Is that... Okay.  
Okay, no Alex McDonald. [background comments]  
Michelle Hall. Is Michelle Hall here? [background comments] Alexander Likakh, L I K A K H, Likakh, Alexander Likakh. No Alexander; no Michelle Hall.  
[background comments] Elaine Jackson, Stuart

Ellison, Elaine Jackson. [background comments]

Stuart Ellison. [background comments] So we should have on the panel Richard Heitler, Gloria John, Elaine Jackson and Stuart Ellison. Thank you.

Next on deck we should get ready; you don't come up now, but when they're finished, Tiger Paul Schubert, Jessica Clark, Stephanie Joseph and Alfie Davis.

Just for the record, Mitchell-Lama Resident Coalition is asking folks to save the date for their annual meeting, Saturday, April 30th, 2016 from 10:00 a.m. to 1:00 p.m. at the Musicians Union, 322 West 48th Street, between 8th and 9th Avenues.

You can begin.

RICHARD HEITLER: Thank you very much. I'm Richard Heitler; I am the President of the Board of Village East Towers on the Lower East Side and I'm speaking on behalf of Chris Fowley, who prepared five pages of testimony that I will not read to you, but I will intend to summarize and Christine is a fellow Board Member of Cooperators United for Mitchell-Lama.

Someone said that when we argue in favor of prohibiting the privatization of Mitchell-Lama co-ops that we are preaching to the choir; I will



make it short, but I hope you read Christine's testimony because it is eloquent.

She points out that Mitchell-Lama cooperators have been the beneficiary of being able to buy their apartments at below market prices, of having tax subsidies for the entire period of their occupancy and very often below market, government-backed mortgage and repair and rehabilitation financing. Have enjoyed those benefits [bell] it would be immoral and corrupt to allow them to pull the ladder up behind them and deny those benefits to everybody on the waiting list.

And after being told that we were preaching to the choir, which is probably, I hope, true, you ask what can the Council do? Here's our answer -- please, pass a resolution in support of senate bills and assembly bills to ban the privatization of Mitchell-Lama. Be aware that back in 1955 there was no buyout of Mitchell-Lamas; the first 74 Mitchell-Lama cooperatives produced were co-ops [bell] and only after they wanted to get rentals in the business did we have the buyout option; as a result, in terms of public policy, two-thirds of the

rentals are gone, but less than 9 percent of the co-ops are gone... [crosstalk]

CHAIRPERSON WILLIAMS: Sure. Gonna ask you to wrap up.

RICHARD HEITLER: and 91 percent of us are still here and we hope you'll help us stay that way. Thank you.

CHAIRPERSON WILLIAMS: Thank you.

[background comments]

FEMALE VOICE: Hi, good evening everyone. To the guys -- Just give me a little uhm...

CHAIRPERSON WILLIAMS: It's okay.

[background comments]

FEMALE VOICE: To the New York City Council who...

[background comments]

CHAIRPERSON WILLIAMS: Okay.

FEMALE VOICE: To the New York City Council who has sent this information up to Mitchell-Lama, I am one of those who were not prepared for this; I got this flyer in my building a couple days ago and I am here without a prepared testimony, but I just have some questions with what has been taking

place in my building. So I don't know if I will get the answers today or if it's legal.

I'll speak about the rent increase. In 2012 my rent was \$617.23 and they have increased the rent to \$1,157.23. I walked all over to find answers; I've been to a councilman **[inaudible]**; I even called up Eric Adam's office; I went down to somewhere in Manhattan and I was told by the person who handles Mitchell-Lama, which was a guy; he said, they can do what they want; in other words, they can raise the rent like that. So I said to myself, where do I [bell] turn? Now I turned to here because I got this flyer. The next thing is; with the rules of rent supposed to be the latest on the 15th of the month we will pay \$5.00; they raise it, the carrying charge to \$25.00 and they brought it up to the 10th of the month. People are **[inaudible]** changes to pay their rent and this is what they have done. And then a couple months after this was done, which effective February, a couple months from when the \$25.00 was increased for to late charge, they brought the late charge to \$40.00. These things have been done without any notification to the shareholders...

[crosstalk]

CHAIRPERSON WILLIAMS: So...

FEMALE VOICE: we could only see from the board in the elevator.

CHAIRPERSON WILLIAMS: So where do you live?

FEMALE VOICE: I live at 636 Brooklyn Avenue.

CHAIRPERSON WILLIAMS: Before you leave, can you give your information either to one of the staff or to the sergeant so we can find out which council member district you live in and we can refer you to them?

FEMALE VOICE: I'll appreciate it. Thank you very much... [crosstalk]

CHAIRPERSON WILLIAMS: Sure. Thank you.

FEMALE VOICE: I live in a State-supervised Mitchell-Lama co-op and I have three things that are issues; this is just general issues and I think they might be systemic problems and it might have something to do with what might be some flaws in the Mitchell-Lama program. I think the Mitchell-Lama program is a very good program; however, it is not good enough to state that the Board is elected by the cooperators and if changes

1 are needed on the Board, the cooperators can elect  
2 new board members. On paper this seems like a  
3 reasonable statement; it is not. One of the flaws is  
4 that cooperators very often are the ones who are  
5 elected to the Board, but somehow the relationship  
6 changes when someone is on the Board and now is not  
7 among fellow cooperators, okay. This relationship  
8 becomes one that becomes very detrimental to the  
9 cooperators; [bell] what I mean by this is that  
10 cooperators really have no power; the Board has all  
11 of the power and something has to be done about this;  
12 the Board selects managers and attorneys and this  
13 becomes the unholy trio that's a detriment to all of  
14 the cooperators; this needs to be addressed, where  
15 the cooperators need to have the power and not the  
16 people that they elect who get in cahoots with the  
17 attorney and with the manager; that defeats the whole  
18 notion of the Mitchell-Lama project. Please bear  
19 with me.  
20

21 CHAIRPERSON WILLIAMS: We're actually  
22 gonna have to ask you to wrap up, I'm sorry; we wanna  
23 make sure that we have everybody get an opportunity  
24 to speak, so if you can give a closing statement,  
25 that will be great.

FEMALE VOICE: Okay. There needs to be more clear-cut definitions, such as what is the relationship of HPD to HCR and in a State-supervised Mitchell-Lama complex, who actually has the authority and what is the nature of the authority, because HCR is not particularly responsive and I'm not sure from what I've heard here today that HPD may be the answer or the ones who can actually take care of cooperators' problems, okay... [crosstalk]

CHAIRPERSON WILLIAMS: Thank you.

FEMALE VOICE: it's systemic and it needs to be corrected; it's a flaw.

CHAIRPERSON WILLIAMS: Thank you very much.

STUART ELLISON: Good afternoon Councilman Williams and other council members. My name is Stuart Ellison; I've lived in Amalgamated Warbasse for about 35 years and I want to extend and elaborate on my remarks made in my letter to the DHCR; I gave a copy of that to you.

When I first lived in Warbasse it was a comfortable, quiet, safe place; it is now extraordinarily noisy, uncomfortable and increasingly unsafe; the lobbies leak, apartments leak, laundry

rooms leak; they been doing work on the facades for the last year-and-a-half; the builders doing that are of questionable quality; there are scuffmarks on the building; I see cracked bricks, I see lousy masonry that had to be repaired; they've broken through walls, they've damaged people's convectors, they've flooded apartments; my walk was broken through.

[bell] This is absolutely unacceptable; I fear for my health, I fear for my safety and I fear for my life. Thank you.

CHAIRPERSON WILLIAMS: Thank you very much for your testimony; we appreciate it; we're gonna try as hard as we can to help out. Ma'am, if you can let the sergeant know your address; sergeant if you can give it to us so we can find out who her council member is so that we can get that over; that'd be great.

I know we called another panel, but we have to pause on that panel for a second to extend a courtesy to Borough President Gale Brewer, who will come up and give some testimony. So thank you very much. So you're free to go. [background comments] Yes, absolutely. And Madame Borough President, we have the room till about 3:00. [background comments]

Sir, you can... you're free to go. [background  
comment] Yeah.

MANHATTAN BOROUGH PRESIDENT BREWER:

Thank you very much. Do I have to be sworn in,  
Mr. Chair... [crosstalk]

CHAIRPERSON WILLIAMS: Usually yes, but...

MANHATTAN BOROUGH PRESIDENT BREWER: I'm  
glad to... I'm glad to, I'm glad to, okay.

CHAIRPERSON WILLIAMS: Alright. Well the  
person who did it before me didn't, so but -- Do you  
affirm to tell the truth, the whole truth and nothing  
but the truth in your testimony before this committee  
and to respond honestly to council member questions?

MANHATTAN BOROUGH PRESIDENT BREWER: Yes  
I do. Thank you.

CHAIRPERSON WILLIAMS: 'Kay, thank...

MANHATTAN BOROUGH PRESIDENT BREWER: And  
it's great to see the Brooklyn Borough President; I'm  
very jealous of this room; we don't have it in  
Manhattan; I just want you to know.

BROOKLYN BOROUGH PRESIDENT ADAMS: BK all  
day.

[laughter]



MANHATTAN BOROUGH PRESIDENT BREWER:

Anyway; I am Gale Brewer, Manhattan Borough President and I really appreciate this hearing. As the Council Member for 12 years on the Upper West Side, I am unfortunately only too aware of the challenges.

Just to give you some overview, 'cause I know you've heard a lot about this topic -- I'm here with Hally Chu, who is a phenomenal resource in our office. But it seems to me that in the co-ops, and I, unfortunately, like I said, have a lot of experience with this issue, you have three choices; you have the Article XI, which would, according to HPD, be some kind of middle ground in terms of those who own and the future -- particularly Manhattan, you have co-ops, Mitchell-Lama in very desirable places and you have people who wanna make a killing, which do not support, and that's another choice, and then you have the people; to their credit, these are the real New Yorkers who want to and believe in affordable housing and wanna keep it affordable for the next generation; those people really should be celebrated. And the same thing with the rentals where you have a situation where I would support keeping the rentals; we have one, Lakeview in East

Harlem, which is a co-op that is overlooking Central Park; it's absolutely needed, in my opinion, to keep those units affordable; however, the problem is; HPD, the State and the Federal Government do not offer enough incentives to the owner to keep that program alive as a Mitchell-Lama rental, and that's the overview that we're trying to deal with, in my opinion and to be honest with you, the government has not come up with good solutions. The Mitchell-Lama residents are the heart and soul of this city; they're the people in the PTAs; they're the people in the community boards and we have not been successful.

So the fact of the matter is; the provision to exit the program has led us to a loss of affordability, as we know.

1. City and State oversight agencies must monitor Mitchell-Lama developments for compliance in financial reporting; wait list administration, which you heard about, and apartment allocation and contracting and intervening with corrective action. We have some Mitchell-Lamas that had scaffolding for 12 years and that had millions and millions of dollars of improvements on a capital front needed and HPD, HDC, the State never said a

word until the developer most recently came along and said he wants to privatize.

2. The agency subsidies and financing options must match the reality of New York City's real estate market. Subsidies should offer enough of an incentive for owners to stay in the program and financing should not overburden a development.

3. The State agency and the City agency, along with other government agencies, should employ available subsidy and financing tools creatively to preserve affordability for a maximum number of units.

And let me just talk about that. One of the issues with Westview [sic], which is in the Village and a great group of residents tried to come up with a co-op plan under the Bloomberg administration that would save that from rental to condo; the problem is, there are 40 families left after hundreds of hours of meeting who cannot afford to purchase. We absolutely have to find a way to keep those 40 units in that building succession to the future; they are the soul of that community and so that's not what's available and that is what I hope this hearing will bring to the fore, that those kinds of individuals, when buildings are privatized

and they go into the condo world often cannot afford to stay.

Mitchell-Lama renters must be provided with information and resources on how to organize, understand their rights and secure professional services.

And finally, HPD policies that negatively impact Mitchell-Lama residents, such as downsizing and changes to stock certificate guidelines must be evaluated individually and take each case's unique circumstances into consideration.

I have much longer testimony; I just wanna point out that at the height of the Mitchell-Lama program in the 1980s, the Borough of Manhattan had 93 co-op and rental developments; today we have only 46; we are gonna lose every single one of those units to privatization and we are going to not be able to contain the support that the Mayor wants in terms of preservation. And I have lots of examples here of where co-ops have gone into privatization and where rentals have done the same and I can tell you that on every single one the City agencies and the State agencies, despite much effort, have not been able to contain it, except for one; there's a recent

1 situation where the building is not a Mitchell-Lama,  
2 it's not a state, it's not a federal; it's Turin  
3 House at 609 Columbus Avenue, and to the credit of  
4 HPD and Julie Walpert, they have found a way to keep  
5 it in the current program; whatever in the world it  
6 is. So there are some very few examples; we have to  
7 come up with ways in which the government can deal  
8 with how to keep programs co-op, because once they go  
9 into the private, they pay these enormous amounts of  
10 taxes that are then assessed to the renters and to  
11 the maintenance; you'll find your maintenance going  
12 up; you may not even be able to stay in the co-op  
13 that you thought was such a great idea in the first  
14 place; I have seen this with my own eyes. You also  
15 end up with co-op owners disappearing to Florida,  
16 Mexico; wherever they go, and they rent and you end  
17 up with a lot of transient situations; I've seen this  
18 with my own eyes. And then you also end up with a  
19 rental that ends up being market, with every student  
20 known to mankind coming, putting the divider into the  
21 room and you've got a lot of students and it's very  
22 transient; that is not what our city is all about.  
23 Everything -- I was in the first -- Glen Gardens was  
24 the first Mitchell-Lama to go private and I know with  
25

1 my own eyes what happened, and Roosevelt Island,  
2 there's only one left; the challenges and the fights  
3 on the elevator, on the stairs; in the lobby over  
4 what to do in the future also dividing people and  
5 this program has got to have some consistency from  
6 the government to say you are the best residents that  
7 ever came to New York City, that ever lived in New  
8 York City; we want more Mitchell-Lamas; we wanna make  
9 this program work and for goodness sakes we cannot  
10 lose the units that we have, be they co-op or rental;  
11 we have to figure out what is appropriate for the  
12 residents who have equity, but at the same time you  
13 are our future and without this as an ongoing source  
14 of affordable housing, we're not gonna have any.

16 I often think when a co-op goes private,  
17 in the worst sense of the word, meaning that it is at  
18 the highest of the market, we're losing a friend;  
19 it's like somebody dying, because we do not have that  
20 source of affordable housing in the future.

21 Thank you very much, Mr. Chair; I really  
22 appreciate you doing this hearing today. [applause]

23 [background comments]

24 CHAIRPERSON WILLIAMS: Thank you... thank  
25 you very much, Madame BP for your leadership you've

been doing on this issue even before you were borough president, so really appreciate it.

MANHATTAN BOROUGH PRESIDENT BREWER:

Thank you.

CHAIRPERSON WILLIAMS: Thank you for coming by. And if you wanna get really jealous, take a look at the courtroom upstairs.

MANHATTAN BOROUGH PRESIDENT BREWER: I know about that...

CHAIRPERSON WILLIAMS: Okay.

MANHATTAN BOROUGH PRESIDENT BREWER: courtroom.

[laughter]

MANHATTAN BOROUGH PRESIDENT BREWER: It's beautiful.

CHAIRPERSON WILLIAMS: Thank you very much.

'Kay, we have two more panels we'll try to get through to make sure everybody who wants to speak has the opportunity to. Tiger Paul Schubert; are you here? Jessica Clark; are you here? Jessica Clark, Gates Avenue. Stephanie Joseph. Stephanie Joseph; are you here? Alfie Davis. Alfie Davis, Sea Rise TA President. Suzanne Michelin. So how do you

pronounce it? Mishler [sp?], I'm sorry, Suzanne Mishler. Leslie Ann Stewart. Leslie Ann Stewart; are you here? [background comments] Pat Winslow. [background comments] Winston, I'm sorry. And if we get one more chair, because I only have more person, Cynthia March. Cynthia March; no more? Okay. No, so we don't need the other chair. [background comments]

So we just have Tiger Paul Schubert, [background comments], Suzanne Mishler, Leslie Ann Stewart, and Pat Winston, that's all we have signed up for today and so if anybody wants to change their mind in the next 10 minutes, please make sure you sign up with the sergeant. [background comments] You can begin.

[background comments]

PATRICIA WINSTON: My name is Patricia Winston and I'm a member of the task force and also of MAAC. My building, Atlantic Plaza Towers, a building that has been in existence since 1967, on May 2nd, 2015, the City Council approved a partial exemption from real property taxes. On February 11 we received notices that as of January 29, 2016 the property will not longer be subject to the Mitchell-



1 Lama rules; that we would be under DHCR. Being a pre  
2 73 development, we understood that if our manager,  
3 the owner pays his mortgage that we would go into  
4 rent stabilization, which is the case, but the owner  
5 and other people made my people think that if he  
6 didn't... if the mortgage was satisfied; they would go  
7 to market rent, so now we have an Article XI with  
8 AMIs of 80 [bell] and 125 percent. The one thing we  
9 don't understand is under Article XI, what are the  
10 rules? For instance, when he does his rent, he puts  
11 on the air conditioner, so if you pay \$900 and your  
12 air conditioner is \$26; he puts it on \$926 going  
13 forward; that should not be, because if you don't  
14 have an air conditioner, you would still be paying --  
15 this is what he said; we would be paying \$926. So if  
16 you're doing rent, you should never add anything onto  
17 rent.  
18

19 Also, at an escrow account is left in our  
20 development; the owner says the escrow account  
21 belongs to him after he comes off the program, but  
22 we're not understanding the rules for Article XI.  
23 Under Mitchell-Lama you have rules; this one you  
24 don't; we don't know the rules. So therefore,  
25 they're making them up as they go along, as far as

I'm concerned, because the language speaks to co-ops in Article XI, it does not speak to renters. So we need to understand how the Article XI works in a rental when a rental is not a co-op.

CHAIRPERSON WILLIAMS: Thank you. We did have one more person sign up, so Yolanda Matthews. You can come up, you should just come on up.

SUZANNE MISHLER: Hi, my name is Suzanne Mishler -- I'm a little bit nervous..

CHAIRPERSON WILLIAMS: Don't be.

SUZANNE MISHLER: Okay. I lived in Mitchell-Lama for my 52 years; for my first 20 I lived at Samberg [sp?] and then they had something; my parents got in, and we had a child list, which doesn't exist anymore, the child list, and I got in there and I worked all my life at Maimonides Hospital, met my husband 33 years ago, and we moved in on the child list and it was for affordable rent; we're 1199 members and this is what we could afford, living Warbasse, where I live now. The rent increases -- this is why I'm here to speak, because it's not affordable -- 20 percent in two years they wanna raise; how can we live? There's no way; how can we do 10 percent a year? We can't do it. I know

there's SCRIE, there's DRIE, there's STAR; whatever. We have a child now who's going to Buffalo University, college; we're a family of three on \$63,000 income, which is not affordable living, but you can't apply to DRIE or SCRIE if you're making more than \$50,000. I could see a raise of 3 percent, 4 percent, but we can't afford, there's no way; how could we live? [bell]

Okay, what else did I wanna say -- the scaffolding, I know people were talking -- over 10 years; I don't understand the whole thing; I'm not intelligent and smart with this stuff, but I know it should have never been there for 10 years. They finally fixed the bricks now, after one year; if you ever saw the brick job, you wouldn't believe it; you see projects of Luna Park, wonderful brick jobs; you come to Warbasse, you couldn't believe the job that they're doing and why are they doing it. Sandy, we're out of our homes for eight weeks in Sandy, eight weeks, when they had everybody else's homes up and houses up; my house had so much mold, living on the 15th floor, which they still never even took care of; we still have mold in the walls and stuff; I could show pictures, I complained, I did everything.

CHAIRPERSON WILLIAMS: I'm gonna have to ask you to wrap up.

SUZANNE MISHLER: Sorry? Okay I'm here for... that we can't live with the rent increase and I hope that somebody can help us. Thank you.

CHAIRPERSON WILLIAMS: You sounded quite intelligent on this stuff, so I appreciate it... [crosstalk]

SUZANNE MISHLER: Ah, thank you so much. Thank you. [background comments] Thank you.

LESLIE STEWART: Good day to the Borough President, Jumaane Williams and all who is present today. I'm Leslie Stewart; I'm a Board Member from Harry Silver Housing.

My name is Leslie Stewart; I'm a resident and elected board member of Harry Silver Housing, a limited dividend [sic] cooperative in Brooklyn. I purchased the co-op in Harry Silver in 2009 and participated in election that same year. When three of the present board members were elected to serve on the Board, immediately upon the election they instituted a maintenance increase which did not sit well with the shareholders and a petition for the removal and a reversal of the maintenance increase,

1 which was given without a rent hearing. They were  
2 voted out of office by a majority of the  
3 shareholders, but still sit on the Board to the  
4 present day. A motion was made in the Supreme Court  
5 for their removal and Judge Been [sic] ruled that a  
6 new election should take place immediately. A few  
7 members were elected to the Board and a new president  
8 elected; [bell] however, she refused to make the  
9 **[inaudible]** members step down; instead, they became  
10 allies. After several members either stepped down or  
11 moved out, these members then appointed their  
12 families and friends to sit on the Board and continue  
13 the illegal activities.

14 According to our bylaws, members are  
15 elected for a term of no more than three years; the  
16 present board appointees, along with a corporation  
17 attorney, have continuously sabotaged every annual  
18 special **[inaudible]** since then, claiming that there  
19 is never a quorum... [interpose]  
20

21 CHAIRPERSON WILLIAMS: Gonna have to ask  
22 you to... to summarize it... [crosstalk]

23 LESLIE STEWART: Wrap up?

24 CHAIRPERSON WILLIAMS: Yeah.  
25

LESLIE STEWART: Yes. Sure. I was elected on the Board in 2011 [inaudible] members appointed after breaching our bylaws, rules and regulations.

So in wrapping up, I would like, you know, someone to [inaudible] Harry Silver and [inaudible] audit; we actually need an audit report [inaudible] any... any uhm...

CHAIRPERSON WILLIAMS: And which... where do you live?

LESLIE STEWART: I live on Midwood Street, Harry Silver Housing Co-op.

CHAIRPERSON WILLIAMS: Do you know who your council member is?

[background comments]

LESLIE STEWART: The present... Darlene Mealy and we have Jesse Hamilton [inaudible].

CHAIRPERSON WILLIAMS: Oh, so you are...

LESLIE STEWART: Yeah.

CHAIRPERSON WILLIAMS: so you're in good hands... [crosstalk]

LESLIE STEWART: He used to be there before; yeah, I know him very well from coming there.

CHAIRPERSON WILLIAMS: Thank you.

LESLIE STEWART: I been complaining about this for several years and want immediate action be taking place. Thank you.

CHAIRPERSON WILLIAMS: Thank you.

MALE: Good afternoon.

CHAIRPERSON WILLIAMS: Good afternoon.

MALE: I'd like to put some light, a truth on things.

CHAIRPERSON WILLIAMS: Alright.

TIGER PAUL SCHUBERT: First of all, I wanna congratulate the jury system of this city and I'd like to have every mother's son outside and daughter and every mother's son and daughter outside the courthouse on day of sentencing; not only for Kai [sic], but for Victor White who got shot in the back of a police car, handcuffed, Chavez [sp?] Carter shot himself in the head back of a police car; we need to celebrate; want everybody outside that courthouse March 14th to celebrate our victory.

Now, I ran across this article in the *Post* and apparently Anthony's **[inaudible]**; I knew Diana Reyna; been a long time, and the Congressman **[inaudible]** [bell], we knew when a dangerous condition exists; the law is there, but NYPD refuses

1 to enforce it, Article XV, Penal Code -- when a  
2 dangerous condition exists, which could be mold,  
3 which could broken sidewalk, which could be water  
4 problems; whatever, heat, people die from lack of  
5 heat, but there's no prosecution, Article XV Penal  
6 Code. And I wanna end by saying that Malcolm X has a  
7 YouTube channel and I encourage everyone to visit.  
8 Thank you.

10 CHAIRPERSON WILLIAMS: Thank you very  
11 much.

12 [applause, background comments]

13 CHAIRPERSON WILLIAMS: Uh we got the...  
14 thank you. Miss Matthews? She can just go up.  
15 [background comments] Thank you very much for your  
16 testimony; takin' the time out to come down and share  
17 with us.

18 Ma'am, from Harry Silver -- can you get  
19 -- the sergeant; can we get her information as well?  
20 Is the contact information on there? [background  
21 comments]

22 YOLANDA MATTHEWS: Good afternoon...  
23 [crosstalk]

24 CHAIRPERSON WILLIAMS: Good afternoon.  
25



YOLANDA MATTHEWS: Thank you, Borough President for holding this in your house and Councilman Jumaane Williams and the rest of the staff, whose names I don't know.

I'm here to testify about harassment. I live in a Mitchell-Lama in Brownsville called Marcus Garvey Village and on the police report it has that the manager had my son arrested for trespassing where he lives at. After I was assaulted by the police department, of course they call upon you if you're standin' outside, if you're waitin' for **[inaudible]** to arrive, and if that's not harassment, then what it is? I have **[inaudible]** for I would say 100 and something calls to HPD, which is 311; yes, I do have **[inaudible]** numbers. Recently I called two weeks ago about the heat; no one shows up, you know, you gotta give up your life waitin' for them to [bell] decide they'll knock on your doors, and I call back again; this is ongoing. I'm raisin' my granddaughter who's 8 years old, asthmatic, and they gave us these new heaters, renovated the whole development and they're so busy worryin' about where they're gonna put our mailboxes outside instead of worryin' about to the

heat system works. There are seniors in my development with no heat in their apartment at all.

I myself, at 61 years old with no heat in my bedroom, no heat in my grandchildren's room and the thermostats they have set at 75 and it doesn't build; when I brought my own thermometer, it be 20-somethin' degrees in my apartment or below and HPD has not yet knocked on my door, not even today. They'll call you on the phone...

CHAIRPERSON WILLIAMS: Gonna have to ask you to wrap up... [crosstalk]

YOLANDA MATTHEWS: Okay. They call you on the phone and tell you they comin' out; they gonna upgrade the situation; press one or two if it wasn't correct or it was corrected. Come on, the lady just sat here today and said they hired more people, but they still won't come out to your house; this is goin' on -- I've been there for 41 years come April enough is enough... [crosstalk]

CHAIRPERSON WILLIAMS: Well... And just so we're clear, the folks that they hired are not necessarily inspectors...

YOLANDA MATTHEWS: Uhm-hm.

CHAIRPERSON WILLIAMS: so we have to find out whether they have enough inspectors to meet the demand. Are you working with an organization or an elected official?

YOLANDA MATTHEWS: New York Community for Change...

CHAIRPERSON WILLIAMS: Okay.

YOLANDA MATTHEWS: I then spoke to Inez Barron, Assemblyman Barron, Latrice Walker; we even went to 55 Hampton to Eric Steineman's office.

CHAIRPERSON WILLIAMS: Okay. Thank you. Thank you very much sharing with us. It's exactly 3:00 on the dot and so we met our obligation. Thank you again, Borough President for allowing us to be here. Thank you all for coming out; [applause] it was a very insightful hearing. Thank you.

[applause]

CHAIRPERSON WILLIAMS: For the record, we have Cora Austin from Lindsay Park Housing Corporation; Adele Niederman, Cooperators United for Mitchell-Lama; Naomi Chappell, Shareholders for the Betterment of Lindsay Park; Tom Ricciati [sp?] of Independence House; Mary Fouts of 101 Clark Street; we wanted to make sure everyone knows we have them

2 for the record. Thank you and this hearing is now  
3 closed.

4 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 18, 2016