

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 18, 2024
Start: 10:22 a.m.
Recess: 11:27 a.m.

HELD AT: 250 BROADWAY - COMMITTEE ROOM, 14TH
FLOOR

B E F O R E: Justin L. Brannan, Chairperson

COUNCIL MEMBERS:

Diana Ayala
Gale A. Brewer
Selvena N. Brooks-Powers
David M. Carr
Amanda Farías
Kamillah Hanks
Crystal Hudson
Farrah N. Louis
Francisco P. Moya
Chi A. Ossé
Keith Powers
Yusef Salaam
Pierina Ana Sanchez
Althea V. Stevens
Nantasha M. Williams

OTHER COUNCIL MEMBERS ATTENDING:
Lincoln Restler

A P P E A R A N C E S

Amna Ahmed

Barry Cohen

Marnie Ryan

Andrea Hockland

Jay Hauben

Richard Heitler

Erica Buckley, attorney at Nixon Peabody and
special counsel for Cadman Towers

Carolyn Minghia

Toba Potosky, Board President of Cadman Towers

Shelly Holzberg, Vice President of the Board of
Cadman Towers

Mary Egrie, property manager for Cadman Towers

2 SERGEANT-AT-ARMS: This is a microphone
3 check for the Committee on Finance. Today's date is
4 April 18, 2024. Located in the 14th floor Hearing
5 Room. Recording is done by Rocco Mesiti.

6 SERGEANT-AT-ARMS: Quiet, please. Thank
7 you. Good morning, and welcome to the New York City
8 hybrid hearing on a Committee on Finance.

9 Please silent all electronic devices.

10 Also, please do not approach the dais
11 during or after the hearing.

12 If you have any question, please raise
13 your hand and one of us, the Sergeant-at-Arms, will
14 kindly assist you.

15 Thank you very much for your kind
16 cooperation.

17 Chair, we are ready to begin.

18 CHAIRPERSON BRANNAN: Thank you, Sergeant.

19 [GAVEL] Okay. Good morning, and welcome to today's
20 Finance Committee meeting. I'm Council Member Justin
21 Brannan. I have the privilege of Chairing the
22 Committee on Finance.

23 We've been joined this morning by Council
24 Members Restler, Hudson, Brooks-Powers, Powers,
25 Louis, Carr, Brewer, Farías, Ossé, Sanchez, and

2 Williams, and on Zoom we've been joined by Moya,
3 Ayala, and Hanks.

4 Today, the Committee on Finance will be
5 voting on four property tax exemptions. Just quickly,
6 a brief note for the record. Typically, Committee
7 meetings for these items are just a vote and no
8 public testimony is taken for votes. However, due to
9 a technical error with the Council website, today's
10 session was initially listed as a public hearing, and
11 several people signed up to speak before the error
12 was corrected so, in good faith, we are going to
13 invite these people to appear and give testimony for
14 this time only.

15 The first Resolution is a renewal of a
16 partial 40-year Article V tax exemption for one
17 building in Council Member Abreu's District. As part
18 of the renewal, affordability will be continued at 50
19 percent AMI with 30 percent of units set aside for
20 homeless tenants, and identified capital work will be
21 completed along with HPD's Aging-In-Place
22 improvements.

23 The second Resolution is a full 40-year
24 Article XI exemption for new construction in one
25 building in Council Member Holden's district. The

2 project will be a 100 percent affordable building of
3 120 units with AMIs restricted from 30 to 90 percent
4 with up to 18 units set aside for formerly homeless
5 tenants, and eight of which are designated for
6 homeless veterans under the HUD Veterans Affairs
7 Support Housing Program.

8 The third Resolution is a conversion of
9 two Article XI Mitchell-Lama buildings in Council
10 Member Restler's District to a partial Article XI.
11 The Mitchell-Lama's Cooperative has voted in favor of
12 converting to a HDFC cooperative under HPD's article
13 II to Article XI Conversion Program to facilitate
14 long-term affordability. As part of its plan of
15 reconstitution accepted by the New York State
16 Attorney General's Office, shareholders will be
17 subject to a 99-year regulatory agreement where
18 shareholders' maximum income will continue to be
19 capped at 125 percent of AMI with resale prices set
20 to be affordable for individuals and families at 80
21 percent of the AMI. As part of the agreement, it is
22 proposed that 50 percent of the proceeds of future
23 sales will go into reserves to fund rehab work and/or
24 pay off the existing debt.

2 The final Resolution is a full 40-year
3 Article XI exemption for new construction of one
4 rental building in Council Member Bottcher's
5 District. The building will contain 175 affordable
6 units for households with at least one senior and one
7 superintendent unit. All units will be affordable to
8 older adult households at 50 percent AMI with 30
9 percent of units set aside for formerly homeless
10 households.

11 Are there any comments or questions from
12 my Colleagues on these items?

13 Okay, we've also been joined by Council
14 Member Salaam.

15 Okay, we're going to allow Council Member
16 Restler to give remarks and then we will move to
17 testimony.

18 Just a reminder that this is a government
19 proceeding and that decorum shall be observed at all
20 times. As such, members of the public shall remain
21 silent at all times except for those who are
22 speaking.

23 COUNCIL MEMBER RESTLER: Thank you so
24 much, Chair Brannon, and thanks to all my Colleagues

2 on the Finance Committee. It's an honor to join you
3 today.

4 I want to thank all of the folks who have
5 joined us from across New York City and, of course,
6 especially from Cadman Towers for being with us. I
7 grew up two blocks away from Cadman Towers. Some of
8 my earliest memories are playing Sega Genesis and
9 dancing badly to Michael Jackson at one of my best
10 friends, Jay Franklin's, house in Cadman. I have had
11 many dear friends who have lived in Cadman over the
12 course of my whole life. I want to be very clear
13 about what's being considered today. This is a
14 transition from one type of an affordable housing
15 cooperative to another type of an affordable housing
16 cooperative and, if this conversion is approved by
17 the Finance Committee and the Council as a whole, we
18 will preserve Cadman Towers as affordable housing for
19 the next 99 years. We have a series of imperfect
20 choices before us as Council Members. We have to
21 weigh the pros and cons. We have to live in the real
22 world, and we have to act responsibly and be good
23 stewards for the residents of Cadman Towers today and
24 residents of Cadman Towers tomorrow. I feel like my
25 primary responsibility here is to make sure that we

2 preserve this as affordable housing and ensure that
3 the resources are in place for the conditions to be
4 what residents of Cadman deserve. Cadman is a 420-
5 unit Mitchell-Lama that is being considered for a
6 transition, a conversion into an HDFC co-op. This is
7 not a solution for the Mitchell-Lama program writ
8 large. This is a tailored, specific solution that
9 meets the needs of Cadman Towers, and I want to be
10 clear, they have significant needs. There are already
11 62 million in outstanding loans that Cadman is
12 responsible for repaying. They have identified 36
13 million from a physical needs assessment from 2020
14 that we have not yet addressed, and that does not
15 consider Local Law 97 compliance or additional
16 capital needs that may have come about in the ensuing
17 four years. Cadman has already reached the maximum
18 debt to income ratio and has not been able to secure
19 any additional loans from the City or otherwise. The
20 monthly maintenance costs for residents of Cadman
21 have increased by 50 percent over the last three
22 years, making it hard for current low-income
23 residents there to continue to afford to live there.
24 As a result, Cadman is pursuing this new approach
25 that will generate more capital revenue to stabilize

2 the conditions in this building for today and
3 tomorrow. I want to be clear that today, if you're
4 moving into Cadman Towers, the maximum AMI that you
5 can make, the maximum income is 125 percent AMI. If
6 this conversion is approved, the maximum AMI remains
7 at 125 percent. Currently, people can move into
8 Cadman and afford it at about 50 percent AMI. If this
9 conversion happens, people will need to be more like
10 80 percent AMI to be able to afford to live here.
11 Unfortunately, if we don't approve this plan, I'm
12 worried that the current low-income residents who are
13 there will be squeezed out, and so we have a choice
14 to make between hurting the existing low-income
15 residents at Cadman or hurting future low-income
16 residents who want to live at Cadman, and this plan
17 allows us to generate the capital revenue that we
18 need from the resales that will actually stabilize
19 the conditions in the building. I want to say this,
20 after many years of engagement and hundreds of
21 meetings with Cadman residents and other
22 stakeholders, I've come to the conclusion that this
23 is a responsible plan, a responsible path forward for
24 Cadman Towers. I'm not suggesting it as a solution
25 for all of Mitchell-Lama, but I know that 77 percent

2 of Cadman residents voted in support of this. They
3 have looked very carefully at what they can do to
4 preserve their affordable housing, and this is the
5 plan that they've identified, and I support them.

6 I really want to thank my Colleagues and
7 Chair Brandon for the opportunity to say a few words,
8 and I hope you'll consider supporting this today.
9 Thank you.

10 CHAIRPERSON BRANNAN: Thank you, Council
11 Member Restler.

12 We've also been joined by Council Member
13 Stevens.

14 Okay, so, as a reminder, before we get
15 into public testimony, I want to make sure that we're
16 being respectful and a reminder that this is a
17 government proceeding so everyone who isn't
18 testifying should remain silent so we can hear
19 everybody.

20 The witness table is reserved for people
21 giving testimony. No video recording or photography
22 is allowed from the witness table. Further, members
23 of the public may not present audio or video
24 recordings as testimony, but they may submit
25

2 transcripts of such recordings to the Sergeant-at-
3 Arms for inclusion in the hearing record.

4 If the invitees have not done so, please
5 make sure you filled out an appearance card with the
6 Sergeant-at-Arms and wait to be recognized. Once
7 recognized, you'll have two minutes to speak on the
8 resolutions on today's agenda.

9 If you have a written statement or
10 additional written testimony you wish to submit for
11 the record, please provide a copy of that testimony
12 to the Sergeant-at-Arms. You may also email written
13 remarks to testimony@council.nyc.gov within 72 hours
14 of the conclusion of this meeting. Audio and video
15 recordings will be accepted.

16 Now we're going to call up our first
17 panel. Forgive me if I mispronounce your name. Amna
18 Ahmed (phonetic), Richard Heitler (phonetic), Barry
19 Cohen, Andrea Hockland (phonetic), Jay Hauben
20 (phonetic), and Marnie Ryan (phonetic). Marnie Ryan,
21 Jay Hauben, Andrea Hockland, Barry Cohen, Richard
22 Heitler, and Amna Ahmad. You'll each have two
23 minutes.

24

25

2 Okay, if you want to go right from left,
3 just say your name, and you can begin your testimony.
4 Everyone has two minutes. Make sure your mic is on.

5 AMNA AHMED: Good morning. Thank you. My
6 name is Amna Ahmed. I'm on the waitlist at Cadman
7 Towers and have been for about five years. My
8 understanding is that I'm fourth in line for a two
9 bedroom at this moment. I'm an editor in my work, and
10 I've worked mostly in media and publishing roles. I
11 am exactly who the Mitchell-Lama program is for. It's
12 for regular working people who don't have a trust
13 fund or family money and aren't in finance or some
14 other high-paying industry, which I know is true of a
15 lot of you as well. I live in a non-rent-stabilized
16 apartment currently in Brooklyn where I have been for
17 almost 15 years, now with my 9-year-old daughter.
18 When I first moved in to my apartment, my rent was
19 1,250 a month. It has almost doubled since then, and
20 my income has very much not doubled since then. The
21 rent goes up every year by whatever amount the
22 landlord wishes, and it's not predictable from year
23 to year so I breathed a major sigh of relief when I
24 got on the waiting list at Cadman. It was a promise
25 of stability. It's a chance to pay a fair amount for

2 housing that's not extortionate because it's not
3 meant to enrich landlords or speculators. Not all
4 stakeholders in this decision got a vote. I have a
5 major stake in this decision. I'm on the waitlist, I
6 pay taxes, and I didn't get a say in whether the
7 residents could wipe out the waiting list and vote
8 themselves a big windfall profit because the waiting
9 list will go away the moment this conversion is
10 finalized. What's even more offensive to me is that
11 as a taxpayer, I would be subsidizing my own
12 exclusion and paying for their unearned profit. This
13 is what's driving the efforts to leave the program.
14 Under the plan they want, I think Mr. Brannan
15 mentioned that 50 percent of the profit from a sale
16 would go back into the building's coffers. I'm not
17 sure he mentioned that the other 50 percent would go
18 to the outgoing shareholder. There is absolutely no
19 rationale for shareholders to profit if the stated
20 goal is to get funds for capital repairs and building
21 maintenance. If that were their sincere intention,
22 any profit would go back into the building, which is
23 not happening here, and I believe that this part...

24 CHAIRPERSON BRANNAN: You can conclude.

2 AMNA AHMED: This part really lays bare
3 what the true motivation is here for converting. When
4 I got a log number in the lottery about five years
5 ago, my understanding was that it was a promise, that
6 there would be a wait, people wait sometimes decades
7 for their turn at a Mitchell-Lama apartment, I knew
8 it would be some years, but that eventually I would
9 be offered an apartment. It was a promise. This
10 attempt to take Cadman Towers out of the Mitchell-
11 Lama program would break that promise so while this
12 is obviously very personal to me, as someone who is
13 on the waitlist, it's way bigger than me or any
14 individual who's here. There are 62,000 units
15 citywide in the Mitchell-Lama program right now.
16 Cadman Towers is the very first development where
17 they're attempting this kind of II to XI conversion
18 and, if it's allowed to proceed, every single
19 Mitchell-Lama building with residents who dream of
20 privatizing, which is all of them, will be trying to
21 do the same. They're ready to do that today after
22 this hearing, and it will wipe out the program
23 citywide. I'm asking you to vote no and to keep
24 Cadman Towers a Mitchell-Lama. Thank you.

2 CHAIRPERSON BRANNAN: Thank you. Go ahead.
3 Just say your name before you begin, please.

4 BARRY COHEN: My name is Barry Cohen. I'm
5 a resident of a Mitchell-Lama Co-op on the Upper West
6 Side of Manhattan. In preparation for this meeting,
7 we had the opportunity to consult with quite a few
8 Members of the Finance Committee, and many of them
9 told us about this concept of Member deference, that
10 if an issue is of local concern then they defer to
11 the expertise of the Council Member in that District
12 to decide the issue. This is decidedly not such a
13 case. What we are doing here is setting a policy that
14 has citywide implications. As Amna just eloquently
15 described, the interest of more people who are on the
16 waiting list than voted for privatization will be
17 vaporized if, in fact, this conversion occurs. The
18 interest of millions of taxpayers around the city who
19 have put more investment into this development than
20 has been put in by the residents of the development
21 will be handed out in the form of lottery tickets,
22 not to the people who are waiting to get affordable
23 housing, but to the people who are waiting to cash
24 out that public investment for their personal
25 benefit. These people, those on the waiting list, I

2 should say one other thing, that it will profoundly
3 disrupt the governance of Mitchell-Lamas across the
4 city to be waving this incentive in front of them.
5 Instead of paying attention to the governance of
6 their buildings, they will, and we already are,
7 singularly focused instead on getting this pot of
8 gold at the end of the rainbow. I think it's a very
9 simple matter. If you consider the citywide interests
10 involved here, the right way to vote, the easy
11 decision to make should be to vote no.

12 CHAIRPERSON BRANNAN: Thank you.

13 MARNIE RYAN: Good morning, Chairperson
14 Brannan and Council Members of the Finance Committee.
15 My name is Marnie Ryan. I am a shareholder at a
16 Mitchell-Lama co-op in Queens, and my fellow
17 Mitchell-Lama advocates and I are here today to stand
18 up for this truly affordable New York housing model.
19 Do not reward Cadman Towers for leaving the Mitchell-
20 Lama program and voting themselves a windfall profit.
21 This is not public policy that the New York City
22 Council should be supporting. We need more Mitchell-
23 Lama housing, not less. This issue is not solely
24 about Cadman Towers. If this Resolution passes, every
25 Mitchell-Lama will be at risk of leaving the program,

2 to include those in your Districts. The conversion to
3 an Article XI has been presented as the only way to
4 raise funds for capital repairs. That is not the
5 case. There are other funding avenues that are
6 available. Additionally, were this the real reason
7 for converting to an Article XI, there would be no
8 reason to give a profit to outgoing shareholders.
9 Once a co-op leaves the program, the cost to buy in
10 skyrockets dramatically, pricing out most low- and
11 moderate-income New Yorkers. We are here today
12 speaking for them. This issue deserves much greater
13 attention and scrutiny. This is not a simple
14 administrative item to vote on. This is about a
15 citywide housing policy that affects 62,000
16 apartments and tens of thousands of diverse
17 shareholders across New York City as well as people
18 currently on waiting lists. We are here today
19 speaking for them. With a II to XI conversion, the
20 waiting lists for apartments in that development
21 disappear, taking away the possibility of all those
22 on the current waiting lists to attain true
23 affordable housing. Be on the right side of history
24 here and vote no. I say to you, elected Council
25 Members, do not subsidize the destruction of

2 affordable housing. Be the housing advocates you are
3 elected to be and vote no on the Resolution to grant
4 a shelter rent tax exemption at Cadman Towers. Save
5 Mitchell-Lama.

6 ANDREA HOCKLAND: Thank you for hearing
7 us. My name is Andrea Hockland, and I'm a resident of
8 a Mitchell-Lama on the Upper East Side. My mother and
9 I waited 11 years to receive a Mitchell-Lama
10 apartment. It was a long wait, but the result was
11 joyous. During that waiting time, my mother developed
12 cancer and could no longer work and did not have
13 enough medical coverage. I worked relentlessly to
14 support us and pay her medical bills. When we were
15 able to live in our Mitchell-Lama apartment, our
16 worries were over. We had the security of knowing I
17 didn't have to overwork and was also able to take
18 care of her until her passing. I am what is
19 considered a blue-collar worker, always employed, but
20 almost never cracked 50,000 in any year. I waited
21 tables at a hotel that catered to one of the
22 lifebloods of our city, tourists, as well as
23 residents and surrounding workers. The ability to be
24 able to work and pay a decent but not destructive
25 maintenance has been a godsend for me and other

2 fortunate Mitchell-Lama residents. I keep reading
3 about the lack of affordable housing. The solution is
4 more Mitchell-Lamas, not less. I recently read about
5 a lottery for affordable housing where the minimum
6 income required was 74,000. What? The majority of
7 people who keep this city running make way less than
8 that, but we pay our taxes, and we vote, and we show
9 up, and we volunteer, and we make the city an
10 inviting destination. We create community. II to XI
11 conversions are completely unnecessary and would
12 destroy Mitchell-Lama co-ops. Privatizers attempting
13 this II to XI scheme need the taxpayers of New York
14 to continue to subsidize them at the same level as
15 they received as a non-profit Mitchell-Lama. The II
16 to XI conversion scheme is the exact opposite of the
17 City's commitment to affirmatively further fair
18 housing. Supervised waiting lists and affordable
19 purchase prices have made Mitchell-Lama cooperatives
20 some of the most diverse communities in the country.
21 I implore you not to grant the shelter tax abatement
22 to Cadman Towers or any Mitchell-Lama that chooses to
23 leave the Mitchell-Lama program.

24 CHAIRPERSON BRANNAN: Thank you.

25 ANDREA HOCKLAND: Thank you.

2 JAY HAUBEN: Hello, Council Members. My
3 name is Jay Hauben.

4 CHAIRPERSON BRANNAN: You could pull that
5 mic closer.

6 JAY HAUBEN: Hello, Council Members. Thank
7 you for this opportunity to speak before you vote. My
8 name is Jay Hauben. I live in a Mitchell-Lama co-op
9 on the Upper West Side. I've lived for 53 of my 83
10 years in New York City subsidized housing. It's made
11 it possible without much income to have a decent
12 apartment and wonderful neighbors and a collective
13 and cooperative experience. I implore you, like the
14 others, to consider seriously whether making this tax
15 exemption will affect just one co-op or the whole
16 Mitchell-Lama program, and so I'd like to read my
17 statement in that context. If this were a one-
18 District issue, it would be honorable to respect
19 District Member deference, but this is a citywide
20 issue. As soon as the whole City Council votes to
21 grant this tax break to this co-op that wants to
22 leave the Mitchell-Lama program, the 400 or more
23 people on the waiting list lose their chance of a
24 decent affordable apartment at Cabin Towers and, as
25 Amna said, they didn't have a vote in this. The only

2 people that voted were people that had the
3 possibility of making a profit when they sell their
4 shares, but they've already had a profit. They lived
5 in Mitchell-Lama. It's very profitable. You pay less
6 each month and you have a full life because of the
7 money that saves you. Also, in my co-op and many of
8 the other co-ops, there are about 84 left, this vote,
9 not your vote, the vote of the full Council, if it
10 accepts this exemption, would set the floodgates open
11 for the very, very painful intense fight between
12 neighbors. Shall we stay in Mitchell-Lama or shall we
13 go to II to XI? We've had that fight before over all
14 privatization, and it's very painful. There are
15 constituents in every Council Member District
16 affected by this. The fact that City Council Members
17 are lining up behind Gale Brewer's bill shows this is
18 a citywide issue, not a District issue, but you have
19 been asked to consider it as if it was just one co-op
20 in one District. Again, I say this is a citywide
21 issue. Vote no tax break for leaving Mitchell-Lama
22 Social Housing, not for this co-op today and not for
23 any of the co-ops who leave. Vote for Council Member
24 Brewer's bill when you have a chance.

25 CHAIRPERSON BRANNAN: Thank you.

2 JAY HAUBEN: Don't let him get this one
3 today. Thank you.

4 CHAIRPERSON BRANNAN: Thank you. Go ahead.

5 RICHARD HEITLER: Hi, my name is Richard
6 Heitler. I am actually going to put aside my prepared
7 notes because some of my colleagues has said some of
8 these points so eloquently, and I will not repeat
9 them. I will restrict my remarks to the claim that
10 there is no other way for Cadman to finance their
11 capital needs except by leaving the program and
12 becoming an Article XI. Cadman has been trying to
13 privatize for about 12 years. During that same time
14 period, co-ops all over the city and our network have
15 refinanced and have brought in more money than Cadman
16 is looking for to meet their current capital needs.
17 In no case was the existing debt an obstacle to
18 refinancing. These co-ops, and I don't have a
19 scientific survey, this is our network. Inwood
20 Towers, Village View, Village East, Stryker's Bay,
21 Rosalie Manning, RNA, Co-op City have all refinanced,
22 I'm not making, this is real, and they have used a
23 creative combination of interest-rate reductions,
24 time extensions, grants, local like Reso A, or state
25 like NYSERDA, or federal. They have gone to a wide

2 variety of lenders, HPD, HFA, HDC, private banks with
3 HUD and Freddie Mac guarantees, and it's all worked
4 and, again, they have brought in millions. A 109-unit
5 co-op brought in 15 million dollars. Cadman is
6 looking for 36. This is a building that is one fourth
7 the size of Cadman at 109 units. They brought in 15.
8 Do the math. All I'm saying is that claim is bogus. I
9 know of no instance where the HPD that we know and
10 love has declined to consider funding a co-op's
11 legitimate capital needs. Has this board even
12 applied? This is an issue, if it were true, if HPD
13 was declining to fund Cadman's capital needs and was
14 therefore pushing them into Article XI, I believe
15 this is an issue that the Housing Committee would
16 very much want to consider.

17 CHAIRPERSON BRANNAN: Thank you.

18 RICHARD HEITLER: Thank you.

19 CHAIRPERSON BRANNAN: Okay, we're now
20 going to call up our next panel. Pardon if I
21 mispronounce your name. Erica Buckley, Carolyn
22 Milgia, Mary Forte, Toba Potosky, Shelly Holzberg
23 (phonetic). Shelly Holzberg, Toba Potosky, Mary
24 Forte, Carolyn Milgia, and Erica Buckley.

2 Okay, whenever you're ready you can
3 begin. Just make sure the mic is on, say your name
4 before you begin.

5 SHELLY HOLZBERG: It's on. Okay, my name
6 is Shelly Holzberg, I'm the Vice President of the
7 Board of Cadman Towers. I'm also the head of the
8 Senior Committee, which you'll hear about. Let me
9 introduce you to Cadman Towers. We're two buildings
10 and one community. I want to thank the City Council
11 and our representative for funding that has made it
12 possible for us to have a NORC-like program that has
13 enriched the lives of many cooperators and made
14 Cadman so special. We have a nurse one day a week to
15 deal with physical needs. We have a social worker two
16 days a week to deal with emotional and support
17 issues. We also have lectures, trips, and have
18 created a safe, healthy environment for all. If I
19 thought of two words to describe Cadman, it would be
20 population stability. The cooperators and staff stay
21 for years. Everyone knows each other, and everyone
22 basically looks out for each other. We recently faced
23 a 42 percent or 50 percent, which will happen soon,
24 maintenance increase over three years. If I could
25 turn the clock back 50 years, you would see that

2 teachers and civil service workers came to live in
3 Cadman. They are now retired and were most affected
4 by the huge maintenance increase. They are living on
5 fixed income, pension, and social security, and found
6 it quite difficult to deal with the increase and
7 feared having to leave their home. It's the other
8 population that's affected. They are not eligible for
9 government programs like SCRIE or Medicaid and feel
10 that home will no longer be affordable. Article XI
11 gives them the means of providing financial support
12 for the future of capital projects and keeps us
13 affordable. Vote yes for the tax abatement so Article
14 XI can become a reality.

15 CHAIRPERSON BRANNAN: Thank you.

16 TOBA POTOSKY: Good morning, Chairperson
17 Brannan and members of the City Council Finance
18 Committee. Thank you for this special opportunity to
19 speak to you today on such an important subject as
20 preserving Cadman Towers affordable housing. I have
21 been a resident of Cadman Towers for close to 40
22 years. I'm currently the Board President. I have been
23 in that position for 18 years, and I'm here asking
24 you for your vote to support our tax abatement. As
25 Board President, I have a unique perspective that

2 most residents and outsiders don't get to see. I sign
3 all the invoices and all the expenditures, and I work
4 very closely with all of our vendors, and I work
5 closely with our property manager and our
6 superintendent. It's not a secret, and it's been
7 mentioned earlier, older buildings cost more money to
8 manage. That's a fact. Cadman Tower has just
9 celebrated its 50th anniversary. This July, we will
10 have completed 40 million dollars of capital repairs,
11 and it took over a five-year period so we'll be happy
12 to get rid of the scaffolding, but those are things
13 that are standard, that are required, that is
14 expected, that you, as Council Members, expect from
15 us. Resurfacing the façade, we put in five new
16 elevators, new roofs, restoration of our garages,
17 waterproofing of our exterior plaza. We are, without
18 a doubt, rebuilding Cadman Towers for the next 50
19 years and for the next generation but, as a result of
20 the new construction costs and our existing debt, and
21 just so you know, we're carrying debt that was held
22 over, that was deferred from 1977. We're still
23 carrying it over now. Because people felt nobody pays
24 that debt. That an incorrect misnomer. Okay, but our
25 current debt, and it was mentioned before, is a total

2 of 62 million dollars, and it is growing, some of it
3 at a rate of 5.18 percent. Oh, shoot.

4 (INAUDIBLE)

5 TOBA POTOSKY: Okay. In two months, this
6 is important, in two months, we'll begin paying 1.9
7 million dollars a year, every year for the next 35
8 years. That's not fake. That's not false. That's
9 reality, and it starts in two months, 1.9 million
10 every year. To handle this, we were forced to raise
11 maintenance 50 percent since 2018. That maxes out our
12 debt to earnings ratio. That maxes out our ability to
13 borrow money. We didn't make that up. You know who
14 told us that? HDC, our lender. It's not something,
15 and we go to HDC and HPD, and we fight with them all
16 the time for every penny that we could possibly get.
17 We have had conversations with them where they say
18 you can't get an 8A loan because we reserve it for
19 another Mitchell-Lama, and we say we need an 8A loan,
20 and we fought it, and we got it so we go to every
21 lender and we go and we fight for every penny that we
22 can get, but we are maxed out now, and the problem
23 that we have is that we have 30 million dollars of
24 projects in 2023 numbers, right? So you know that
25 that's going to be greater once we finally get to

2 doing that, and those are important things like
3 boilers, replacing our 50-year-old boilers,
4 electrical, so electrical is very big and we want to
5 be a leader in Local Law 97, but guess what? All of
6 our circuit breaker boxes in our apartments have to
7 be replaced, and that's 421 circuit breaker boxes in
8 there, and we have to upgrade our electrical system.
9 These are not made-up things. It's not I don't like
10 it, I don't like this plan for this. This is the
11 reality that we as board members and shareholders
12 have to deal with on a regular basis. The one thing
13 that Mary, our property manager, who you'll hear from
14 in a minute, said, repairs are not finite, they are
15 infinite including the ones that you don't plan for
16 like three months ago four water main pipes broke in
17 the street, unfortunately at midnight on a Saturday
18 and flooded our...

19 CHAIRPERSON BRANNAN: Please wrap it up.

20 TOBA POTOSKY: Okay. Our lobby and our
21 basement and we had to pay for new sidewalks. That
22 was 400,000 dollars that was not covered by
23 insurance. Okay. I'm going to finish up. You're going
24 to hear more about our plan from this. Anyway, after
25 five years now, this is a plan that came to us in

2 2018. We held 80 meetings, 80 shareholder meetings,
3 80, on the single topic of our financing, our capital
4 repairs, and how we were going to fund them and,
5 after that, we held the vote just this past August
6 and, of the 410 shareholders that came to me and then
7 they had a month to vote, 77 percent voted yes. Out
8 of 410 eligible shareholders, 314 voted yes. That's
9 not anything that's being said here. I know I have to
10 wrap up. I just want to say something that's really
11 wonderful. We here, all of us, collected, doesn't
12 matter what your side is, have dedicated ourselves to
13 affordable housing. How awesome is that? How awesome
14 is that? And thank you for your time today.

15 CHAIRPERSON BRANNAN: Thank you. Okay,
16 we're going to keep everyone to a strict two minutes
17 because we do have to vote.

18 CAROLYN MINGHIA: Good morning.

19 CHAIRPERSON BRANNAN: Just say your name
20 before you begin, please.

21 CAROLYN MINGHIA: My name is Carolyn
22 Minghia, and I live at Cadman Towers. It's my home.
23 It's been my home for 10 years. My great aunt
24 purchased the apartment in 1977, and I only came here
25 in September 2014 because my aunt was down and sick

2 and I came to take care of her. Being here in New
3 York, my health deteriorated because of the stress of
4 being here, but this is my home now. I need the
5 security that this place brings me. I need someone at
6 the front door to look out for me. The ambulances
7 that have come for me. The specialist that I have to
8 have now because being in this city have aggravated
9 my condition, but I've never heard of Mitchell-Lama.
10 I'm from Philadelphia, 38 years. I've never heard of
11 that. I've never heard of a housing thing that
12 doesn't have an arm to take care of structural
13 things, repair things. I've never heard of a thing,
14 but there's no arm to do that in Mitchell-Lama. We
15 got to come up with it, I don't know, selling cookies
16 or lemonade stands, we have to come up with the
17 money, and I understand we have. We've done our best.
18 There's been increases that I can't believe. I've
19 been on permanent disability since 1998, and I don't
20 make any more money. I can't get it out of the wind.
21 I want to live here, I intend to live here until they
22 carry me out, and I want this place to be here so the
23 new generation will come and live in affordable
24 housing. It can be affordable if we just try this new
25 Article. We want to be affordable. We want everybody

2 to come and enjoy this wonderful place that Shelly
3 has talked about.

4 CHAIRPERSON BRANNAN: Thank you.

5 CAROLYN MINGHIA: Thank you.

6 CHAIRPERSON BRANNAN: Go ahead.

7 MARY EGRIE: Good morning, everybody. My
8 name is Mary Egrie, and I'm the property manager for
9 Cadman Towers. Thank you very much for the
10 opportunity to come here today and speak about the
11 Article II to XI conversion as it relates to
12 apartment affordability and improved access to
13 homeownership and an affordable development. This
14 program was initially put together between the Board
15 of Directors at Cadman Towers and the former Rick
16 Froehlich of HDC. He's passed on at this point. When
17 they were initially developing the numbers for this
18 program, Rick had recommended that we peg it at 100
19 percent of AMI, and we ran the numbers on that and we
20 did the analysis and the Board of Directors, the
21 leadership at Cadman, determined that we can do
22 better. At 100 percent of AMI, we were really at the
23 higher end of the moderate income range, and we
24 wanted to make sure that our program captured low-
25 income people, people in the low-income range, which

2 is 79 percent of AMI or down, and so then we worked
3 the numbers, that's how we got down to the 80 percent
4 of AMI number. At 80 percent of AMI, we are capturing
5 the upper range of low-income residents and the lower
6 range of moderate income so this program blends that
7 higher range of low income and lower range of
8 moderate income. The other thing that this does is it
9 presents greater opportunity for homeownership.

10 What's the threshold to homeownership affordability?

11 It's money. I'm a property manager. I process these
12 applications for people that are on the waitlist, and
13 I want to tell you how many people over the years
14 have left my office in tears because they can't
15 afford the 40, 50, 60,000 dollars it takes to get
16 into a Mitchell-Lama building. With this program, it
17 lowers the threshold of homeownership down into the
18 range of 18,000. In addition to that, the City has
19 the Home First program, where the City will provide
20 these applicants with up to 20 percent of their down
21 payment and forgive that debt if they stay in the
22 development for four years. This increases the
23 availability of homeownership to low-income
24 individuals.

25 CHAIRPERSON BRANNAN: Thank you.

2 MARY EGRIE: You can't get financing with
3 Mitchell-Lama. You can with Article XI.

4 CHAIRPERSON BRANNAN: Thank you.

5 ERICA BUCKLEY: Thank you, Committee
6 Members, for allowing me to address you today. My
7 name is...

8 CHAIRPERSON BRANNAN: [GAVEL] Quiet in
9 here, please.

10 ERICA BUCKLEY: My name is Erica Buckley
11 and I'm an attorney at Nixon Peabody and I'm special
12 counsel for Cadman Towers. Prior to joining Nixon
13 Peabody, I was the Chief of the Real Estate Finance
14 Bureau at the Attorney General's Office, where I
15 regulated New York's co-op and condo market and,
16 prior to that, I was the General Counsel of the Urban
17 Homesteading Assistance Board, which is a citywide
18 organization that is dedicated to Housing Development
19 Fund Corporations, otherwise known as HDFCs. My work
20 with affordable co-ops started more than 20 years ago
21 when I joined UHAB. From day one, we were advocating
22 for the types of changes in this plan for HDFC co-ops
23 to ensure they would operate as affordable housing in
24 perpetuity. The tax exemption before your Committee
25 today is for a model HDFC cooperative to be known as

2 Cadman Towers Housing Development Fund Corporation.
3 Through more than a decade of work, The Board and a
4 majority of the shareholders at Cadman Towers have
5 crafted what should be seen as the gold standard when
6 we think about affordable homeownership in New York
7 City. I'd like to highlight a few of the points that
8 make Cadman Towers HDFC the gold standard. There will
9 be a 99-year regulatory agreement to ensure
10 affordability in perpetuity. The AMI caps will be at
11 125 percent of AMI, which are the exact same AMI caps
12 for Mitchell-Lamas. There will be fixed resale prices
13 with affordability set at 80 percent of the area
14 median income. There are primary residency
15 requirements. There are surcharges for over-income
16 shareholders. There are strict parameters for
17 succession rights. There is a flip tax at 50 percent,
18 even though HPD's term sheet only requires 3 percent,
19 and there is also going to be the requirement to use
20 HPD Housing Connect to fill vacancies as they come
21 about. There are other aspects of Cadman's plan that
22 I think make it a gold standard when we're talking
23 about affordable housing in New York City. As
24 panelists have said, this co-op has been trying to
25 come up with a solution for many years, but this plan

2 started when Rich Froelich from HDC recommended it as
3 a solution to help Cadman meet their various ongoing
4 capital needs and their goal of remaining affordable
5 in perpetuity. As Toba and other panelists have said,
6 this Board held 50 meetings in 2023 alone to ensure
7 that the community made a very informed decision
8 about their future, and I want to just be clear here,
9 democracy has spoken at Cadman Towers, 77 percent of
10 the shareholders voted to take advantage of this
11 option...

12 CHAIRPERSON BRANNAN: Thank you.

13 ERICA BUCKLEY: And there's nothing that
14 should happen to stop the will of the people. This is
15 a very reasonable plan, and I hope that you will vote
16 in favor of it today. Thank you.

17 CHAIRPERSON BRANNAN: Okay, Council Member
18 Brewer has a question. We have two minutes for each
19 question.

20 COUNCIL MEMBER BREWER: Thank you. My
21 first question for whomever is, my understanding from
22 the previous panel is that there is a wiped-out
23 waitlist. Can you respond to that and, second, my
24 understanding also, because on the Upper West Side, I
25 have many, many, many Mitchell-Lamas, and I've been

2 working with them for the last 40 years, and I know
3 people who have gotten financing as a regular
4 Mitchell-Lama so I'm just wondering why you think
5 that's not possible and then, finally, the next group
6 of shareholders after the initial and time goes on,
7 wouldn't that have to be something as you add the
8 flip tax and the 50 percent of the individuals, I do
9 think it's going to become increasingly unaffordable
10 for the constituency we're trying to put into
11 Mitchell-Lamas. Could you comment on those three
12 topics, please?

13 MARY EGRIE: I can speak to the waiting
14 list. HPD, the way that they construct these lists is
15 that in theory there's enough people on the list to
16 last you for 10 years because there's expense
17 involved with processing the applications and doing
18 the advertising so for my building that means 500
19 people, but I'm speaking of one bedrooms by the way.
20 I only have a turnover rate of anywhere from 10 to 12
21 one-bedroom apartments per year so 10 times 10 is
22 100, but HPD put 500 people on my list. Why is that?
23 Because they're aware of the attrition rate. Some of
24 the people will drop off because they don't bother to
25 return their application. Other people drop off

2 because when they make it to my office and they send
3 them their offer letter, they don't have the money to
4 buy into the building. More than half of the people I
5 send letters to can't afford to get an apartment in
6 my building. They just drop off, they give up, and
7 who is affected most? Young people, because they have
8 student loans, they're just starting out in their
9 career, maybe they're at the lower range of the AMI
10 there, they don't have any savings, they don't have
11 a...

12 CHAIRPERSON BRANNAN: You can finish.

13 MARY EGRIE: So with this program, first
14 of all, we're going to get a brand new waiting list
15 through Housing Connect with HPD. We have to hire a
16 HPD-approved marketing company to put together the
17 list and administrate it, and these people will be
18 vetted from the very beginning of the process so that
19 they know that they qualify for apartments at Cadman
20 Towers. In addition to that, now there's financing
21 available. Finally, they can get some help with their
22 down payment, and all of that is forgiven if they
23 stay in the development for 10 years.

24 COUNCIL MEMBER BREWER: So the old list
25 goes away. Thank you.

2 MARY EGRIE: Yes, the people on the old
3 list can now apply for Housing Connect and get back
4 on the list.

5 CHAIRPERSON BRANNAN: Any other questions
6 from my Colleagues?

7 Council Member Restler.

8 COUNCIL MEMBER RESTLER: Great. Thanks so
9 much. Just two questions. One, the previous panel
10 indicated that there were additional City resources
11 that were available that have been left on the table.
12 Could you speak to what conversations have been had
13 with HPD and HDC? Are there loans that could be made
14 available to Cadman that have not been accessed,
15 firstly? Second question, could you just break down,
16 and, Mary, maybe you could start with this one, if
17 you don't mind, what does somebody need up front,
18 today to move in in terms of cash to move into
19 Cadman, and what would somebody need if this
20 conversion happened?

21 MARY EGRIE: Today at Cadman, you need
22 anywhere, depending on, we have one bedrooms to
23 three-bedroom apartments so three-bedroom apartments,
24 you're looking at over 80,000 dollars. Some of the
25 one bedrooms start around 45,000, 42,000, but a lot

2 of people that I encounter in my office don't have
3 that kind of money in a bank account and don't have
4 any way to access.

5 COUNCIL MEMBER RESTLER: Can you get a
6 loan for that? A mortgage?

7 MARY EGRIE: You may, no, you can't get a
8 mortgage for that. Mortgages are not available to
9 Mitchell-Lama Apartments. I haven't had anybody come
10 in with a mortgage, I'm not aware of HPD approving
11 mortgages so, no, you can't get a mortgage right now.

12 COUNCIL MEMBER RESTLER: So somebody today
13 needs between 60,000 and 80,000 dollars upfront to be
14 able to move in without a mortgage and, if this
15 conversion were to happen, could you give that
16 breakdown?

17 MARY EGRIE: It goes down to around 18,
18 20, 22.

19 COUNCIL MEMBER RESTLER: Okay.

20 MARY EGRIE: In addition to that, as I
21 said before, Housing First program will pay up to 20
22 percent of the down payment.

23 COUNCIL MEMBER RESTLER: Got it.

24

25

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2 MARY EGRIE: It's up to 100,000 or 20
3 percent, whichever. 20 percent and that gets
4 forgiven.

5 COUNCIL MEMBER RESTLER: Great. And then
6 the second question, are there resources available
7 from HPD and HDC for loans that Cadman has not taken
8 advantage of?

9 MARY EGRIE: Not that I'm aware. We've
10 exhausted every program that we're aware of.

11 TOBA POTOSKY: There's a big misnomer
12 about all that stuff. HPD and HDC, obviously, they
13 have limited resources and, when you have a project,
14 you could go to them and say we have this project.
15 Even though some of our debt is deferred, it's still
16 on our books and, with 62 million as we have now, at
17 62 million, as I said, we're maxed out. We can't go
18 to HPD or HDC. We would have to spend the next couple
19 years to pay down existing debt in order to maybe
20 qualify and, remember, we are one of 84 other
21 properties that we are competing for other money. If
22 that's okay...

23 CHAIRPERSON BRANNAN: We've got to wrap it
24 up.

25

2 TOBA POTOSKY: Okay, the other thing real
3 quick that Council Member Brewer brought up about the
4 waiting list, and this is the truth about the waiting
5 list. We have a three-bedroom waiting list that
6 started in 2010, that has maybe turned over about
7 four apartments since 2010. Yes, some of those will
8 go away. We actually, with the permission of HPD,
9 went through those lists to say is there anybody who
10 changed (INAUDIBLE) so we have been very active in
11 making sure that everybody who had an opportunity,
12 because that list was so old and so slow so we've
13 done everything we can to be responsible to get as
14 many people as possible in.

15 CHAIRPERSON BRANNAN: Okay. Thank you.
16 Okay, no further speakers, no further questions.

17 I'm going to ask Billy Martin, the
18 Committee Clerk, to call the roll.

19 COMMITTEE CLERK WILLIAM MARTIN: Good
20 morning. William Martin, Committee Clerk. This is
21 roll call vote Committee on Finance. All items are
22 coupled on today's agenda. Chair Brannan.

23 CHAIRPERSON BRANNAN: I vote aye.

24 COMMITTEE CLERK WILLIAM MARTIN: Ayala.

25 COUNCIL MEMBER AYALA: I vote aye.

2 COMMITTEE CLERK WILLIAM MARTIN: Moya.
3 Powers.

4 COUNCIL MEMBER POWERS: Permission to
5 explain my vote.

6 CHAIRPERSON BRANNAN: Yes, of course.

7 COUNCIL MEMBER POWERS: Thanks. I just
8 wanted to recognize and appreciate the work being
9 done here by many folks citywide to preserve the
10 really important Mitchell-Lama program, which has
11 been a hallmark program of affordability in the city
12 and deemed a success, I think, in many ways for a
13 pathway to affordable homeownerships, and that's why
14 myself and others have raised concerns about
15 conversions away from Mitchell-Lama in the past and
16 particularly when we're talking about full removal of
17 the program for private purposes, which is something
18 that I oppose for a number of reasons. I think it's
19 noted that it's possible the program that we're
20 discussing today isn't going to work for every
21 building and I do think, in this case, the program
22 does work for this particular instance in this
23 building, and I agree with Council Member Restler
24 that if you think the facts of the entire program
25 don't work for every building, it sounds like,

2 listening to the hearing today and doing some
3 research, this particular building is an instance
4 where preserving affordability, not going fully
5 private, does make sense, and I do think this is a
6 one-site proposal, not relying on Member deference or
7 deferral opinion or anything like that. I think
8 there's conditions and factors here particularly make
9 this a reasonable case for staying within an
10 affordable housing program and not going private so
11 I'm going to vote yes on this for the 99 years of
12 affordability, a pathway out of debt, (INAUDIBLE)
13 other instances here. I do know other Colleagues who
14 are here working on solutions to a larger equation
15 here in the city, which I am very eager to engage in
16 and to pursue but, for the folks at Cadman Plaza, I
17 think have worked very long and hard here. 77 percent
18 vote and other factors, I think have made a strong
19 case in this particular instance for receiving the
20 benefit they're doing. It's not a one-size-fits-all,
21 perhaps for everyone, but I think in this one, it
22 works so I'll be in voting yes. Thanks.

23 COMMITTEE CLERK WILLIAM MARTIN: Louis.

24 COUNCIL MEMBER LOUIS: I vote aye.

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2 COMMITTEE CLERK WILLIAM MARTIN: Brooks-
3 Powers.

4 COUNCIL MEMBER BROOKS-POWERS: Permission
5 to explain my vote.

6 CHAIRPERSON BRANNAN: Yes.

7 COUNCIL MEMBER BROOKS-POWERS: Thank you.

8 So while today's decision is not one that I take
9 lightly, I've had an opportunity to talk with some of
10 the advocates off the peninsula about this issue, and
11 I'm very much supportive of affordable homeownership
12 and respect my Colleagues and especially respecting
13 my Colleagues understanding their community, and
14 hearing today's testimony was extremely compelling
15 I'll say but, in this instant, our Council Member
16 Restler has conveyed to us how critically important
17 this moment is for this community to preserve
18 affordable homeownership for 99 years and so, with
19 that, I am going to vote aye.

20 COMMITTEE CLERK WILLIAM MARTIN: Moya.
21 Council Member Moya.

22 COUNCIL MEMBER MOYA: Yes, I vote aye.

23 COMMITTEE CLERK WILLIAM MARTIN: Thank
24 you. Brewer.

25

2 COUNCIL MEMBER BREWER: Permission to say
3 something?

4 CHAIRPERSON BRANNAN: Yes.

5 COUNCIL MEMBER BREWER: I am going to vote
6 no, and I'll tell you why. I think that Mitchell-
7 Lama, as it is, is the best program ever in terms of
8 housing, and to go from II to XI conversion, I do
9 think it's an abuse of Article XI. It's contrary to
10 Article XI's basic legislative purpose. It was
11 created to increase the supply of safe and sanitary
12 dwelling accommodations at rentals, which families
13 and persons of low income can afford and that, to me,
14 talks about the HCFCs that we've all worked on that
15 go from TIL to HCFCs, not a Mitchell-Lama. It was a
16 great instrument for them, but converting the
17 Mitchell-Lama co-op to Article XI goes in exactly the
18 opposite direction. Mitchell-Lama co-ops, and there
19 are 84 more that we have to be considering, are the
20 products of the best program producing generally
21 affordable social housing in New York, should never
22 be used to remove buildings from that program to
23 create something less affordable, and I do believe as
24 time goes on, despite what we've heard, these units
25 will become less affordable and less well-regulated.

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2 Sheltered rent tax exemptions, which is part of the
3 Mitchell-Lama program, where the resale policy used
4 in a not-for-profit model is what we should be
5 talking about. It should never be used to subsidize
6 windfall profits for selling shareholders. That's
7 what I think Article XI would allow so I'm voting no.
8 I want to make it clear that we do have a bill that
9 is being drafted on the subject of tax breaks for
10 conversions of Mitchell-Lama co-op from II to XI, and
11 I hope that all of my Colleagues will sign on. Thank
12 you very much.

13 COMMITTEE CLERK WILLIAM MARTIN: Farías.

14 COUNCIL MEMBER FARÍAS: I vote aye.

15 COMMITTEE CLERK WILLIAM MARTIN: Hanks.

16 COUNCIL MEMBER HANKS: I vote aye.

17 COMMITTEE CLERK WILLIAM MARTIN: Thank

18 you. Hudson.

19 UNIDENTIFIED: (Coughing) Thanks, guys.

20 I'm so sorry. I'm okay. If it happens again, I'll

21 leave.

22 COUNCIL MEMBER HUDSON: No need to

23 apologize. You okay?

24 UNIDENTIFIED: I'm good, thanks.

25

2 COUNCIL MEMBER HUDSON: Okay. Permission
3 to explain my vote?

4 CHAIRPERSON BRANNAN: Yes.

5 COUNCIL MEMBER HUDSON: I'm deeply
6 concerned with the prospect of a trend in which
7 existing affordable Mitchell-Lama developments
8 convert to HDFC co-ops with Article XI tax
9 exemptions. The Mitchell-Lama program is one of the
10 remaining truly affordable housing programs in our
11 city and must be protected at all costs and, at the
12 same time, we must also take a tailored approach to
13 all buildings to address their unique conditions and
14 ensure low-income tenants, many of whom are older
15 adults, can age in place with dignity. As Chair of
16 the Committee on Aging, providing New Yorkers an
17 opportunity to age safely and with dignity in place
18 is a top priority. Cadman has tens of millions of
19 dollars in outstanding loans and additional capital
20 needs, and it has already reached the maximum debt to
21 income ratio and would struggle to secure any
22 additional loans and, even if Cadman can secure more
23 loans, it would require greater maintenance increases
24 that would make the building unaffordable for low-
25 income shareholders and those on a fixed income. This

2 transition will ensure Cadman remains affordable
3 housing for the next 99 years, and I just want to say
4 also I agree with the remarks of many of my
5 Colleagues, but particularly those of Council Member
6 Powers, I think the testimony today has been
7 incredibly compelling. I've literally been changing
8 my mind in real time based on what I've been hearing.
9 This decision is a very, very difficult decision, and
10 I think oftentimes what this Body is forced to
11 contend with is decisions like this one that are very
12 difficult but, with all that I've heard today, I'm
13 voting aye. Thank you.

14 COMMITTEE CLERK WILLIAM MARTIN: Ossé.

15 COUNCIL MEMBER OSSÉ: Permission to claim
16 my vote.

17 CHAIRPERSON BRANNAN: Yes.

18 COUNCIL MEMBER OSSÉ: I would consider
19 myself a pretty staunch advocate for affordable
20 housing, and I truly do understand the importance of
21 Mitchell-Lama buildings and their hold in our city. I
22 really do appreciate also everyone who came out today
23 and testified and shared their views of this process
24 but, in this specific case, I really do want to defer
25 to the expertise of the local Council Member. As I've

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2 heard from him, he's been aware and working on this
3 situation for some time now and then also just
4 hearing how the residents have voted sizably and in
5 favor of this and, with all that to consider, I also
6 vote aye. Thank you.

7 COMMITTEE CLERK WILLIAM MARTIN: Carr.

8 COUNCIL MEMBER CARR: Aye.

9 COMMITTEE CLERK WILLIAM MARTIN: Sanchez.

10 COUNCIL MEMBER SANCHEZ: Permission to
11 explain my vote?

12 CHAIRPERSON BRANNAN: Yes.

13 COUNCIL MEMBER SANCHEZ: Thank you, Chair.

14 Cities of New York are cities of opportunity and, if
15 we don't provide people to come here, to live here,
16 to stay here, and to stay for generations, then we're
17 failing. This is something I say often and, in this
18 circumstance, I want to highlight the importance of
19 Mitchell-Lama buildings in providing deeply
20 affordable homeownership opportunities, but this
21 question before us and the testimony has been very
22 compelling, I will agree, is one that I personally,
23 and the Chair is going to kick me under the table for
24 this, but I personally want to see this conversation
25 move further and, instead of only having this

2 conversation around Cadman every time that we vote
3 for an Article XI, every time that we produce
4 affordable housing that is not providing the levels
5 of affordability that we need, I think we should have
6 this level of debate and conversation, and yet my
7 conclusion similar to so many of my Colleagues going
8 through and understanding the financial dynamics at
9 Cadman and understanding the financial where we are
10 is that this is not privatization. This is an Article
11 II to an Article XI. Article XI is still maintaining
12 affordability, not as deep affordability as the
13 Mitchell-Lama program and so, with that, I say that
14 this is not a direction that I want to see other
15 Mitchell-Lamas go in and that we need to have
16 conversations. If there are Colleagues that want to
17 work on legislation that really forces the City of
18 New York to have a path for Mitchell-Lamas, then I
19 want to be a part of that conversation because right
20 now we don't have that path, and I'm talking about
21 Co-op City, I'm talking about in my neighboring
22 Districts, Concourse Village, I'm talking about Tracy
23 Towers. We do not have the options coming from the
24 City of New York to preserve Mitchell-Lama as they
25 exist today, and so I think that's the situation I

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2 understand Cadman to be in and, because of that, I
3 vote aye today. Thank you.

4 COMMITTEE CLERK WILLIAM MARTIN: Thank
5 you. Stevens.

6 COUNCIL MEMBER STEVENS: Permission to
7 explain my vote?

8 CHAIRPERSON BRANNAN: Yeah.

9 COUNCIL MEMBER STEVENS: Since I've gotten
10 to Council, one of the things that I've been
11 concerned really vocal and loud about is how we are
12 not serving our co-ops, Mitchell-Lamas, HFZCs. It has
13 not been something that has been on the forefront. We
14 do so much for renters in the city, and it is
15 important and necessary because we have so many
16 renters, but we have not had real conversation or put
17 forth legislation to support this body of work. I do
18 represent Concourse Village in my District and
19 understanding and always wanted to make sure that I
20 am leaning into hearing what my Colleagues have to
21 say but, because we haven't, for me, done the real
22 work around ensuring that we have had all the options
23 in past and us as legislators to push forward at this
24 time, I will have to abstain. Thank you.

25 COMMITTEE CLERK WILLIAM MARTIN: Williams.

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2 COUNCIL MEMBER WILLIAMS: I vote aye.

3 COMMITTEE CLERK WILLIAM MARTIN: Won.

4 Salaam.

5 COUNCIL MEMBER SALAAM: Permission to
6 explain my vote?

7 CHAIRPERSON BRANNAN: Yeah.

8 COUNCIL MEMBER SALAAM: I am trying to
9 wrap my mind around a lot of what's going on today as
10 I was a child who was raised in a Mitchell-Lama. I
11 actually was raised in the Schomburg Plaza. They
12 changed the name after the Central Park jogger case
13 to a new name, really trying to erase the history of
14 that particular awful incident and, as I understand,
15 in a limited way, what's happening today, I am
16 realizing that this is trying to make the best of a
17 very bad situation and trying to find a way forward.
18 Normally I would probably vote no, normally I would
19 probably abstain but, in this particular instance,
20 and while we do have some relief I'm hoping that is
21 coming down the pipe, I'm going to vote aye on this,
22 but I would like for my concerns to be associated
23 with all of the concerns of our Members. Thank you.

24 COMMITTEE CLERK WILLIAM MARTIN: With a
25 vote of 14 in the affirmative, one in the negative,

1 COMMITTEE ON FINANCE

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2 and one abstention, items have been adopted by the
3 Committee.

4 CHAIRPERSON BRANNAN: Okay. With that,
5 this meeting is adjourned. Thank you. [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 May 15, 2024