

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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December 2, 2025
Start: 10:21 a.m.
Recess: 4:25 p.m.

HELD AT: 250 Broadway - 8th Floor - Hearing
Room 1

B E F O R E: Pierina Ana Sanchez,
Chairperson

COUNCIL MEMBERS:

Public Advocate Williams
Shaun Abreu
Alexa Avilés
Gale A. Brewer
Eric Dinowitz
Amanda Farias
Oswald Feliz
Crystal Hudson
Lincoln Restler

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

PANEL 1 - ADMINISTRATION (HPD)

Lucy Joffe
Deputy Commissioner for Policy and Strategy

Joann Kamuf Ward
DC of Policy and External Affairs

Lucy Joffe
HPD

Neil Reilly
HPD

Michael Sandler
HPD

Hillary Scrivani
CHR

PANEL 2- PUBLIC (ZOOM) (Supports Int. 407)

Craig Gurian
(Anti-Discrimination Center, Civil Rights
Coalition for Transparency & Accountability)

PANEL 3 - PUBLIC (IN-PERSON) (Keep early)
(OPPOSE co-op bills)

Mary Ann Rothman, Executive Director, Council of
NY Co-Operatives and Condominiums (CNYC)

Rebecca Poole
Director of Membership CNYC

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

John W. Curtis
Co-op Board Rep

Will Kwan
Co-op Board Rep

Tania Arias
Co-op Board Rep

PANEL 4 - PUBLIC (IN-PERSON) (Keep together by
request of CM Farias) (Support Int. 1120)

Mike Kelly
Director of Government Affairs, New York State
Association of REALTORS®, Inc.

Zoila Alonzo
New York State Association of REALTORS®, Inc.

Jessica Adke-Elmazi
New York State Association of REALTORS®, Inc.

Yvette Clark Watkins
Long Island Board of REALTORS®

Crystal Hawkins-Syska
Hudson Gateway Association of REALTORS®

PANEL 5 - PUBLIC (IN-PERSON) (Keep together by
request of CM Lee) (Likely OPPOSE co-op bills)

Bob Friedrich (Co-President of PCCC) (Presidents
Co-op and Condo Council)

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

Warren Schreiber (Co-President of PCCC;
President of Queens Civic Congress)

Alicia Fernandez
Queensview Co-Op Board Member

Geoffrey Mazel

PANEL 6 - PUBLIC (IN-PERSON) (OPPOSE co-op
bills)

Gary Marton

Michael Bonfiglio

Nathan Lichtenstein

Meg Goble

James Sparks

PANEL 7 - PUBLIC (IN-PERSON) (OPPOSE co-op
bills)

Mitch Levine

John Vettere

Melissa Marks-Shin

Alison Mason

Stuart Saft

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

PANEL 8 - PUBLIC (IN-PERSON) (OPPOSE co-op bills)

Stephanie Spadaro

John Kosa

Carol Baird

Jill Eisner

Britney McKenzie

PANEL 9 - PUBLIC (IN-PERSON) (OPPOSE co-op bills)

Joseph Garcia

Corinne Arnold

David Fitzberry

Matt McLanahan

Jordan Barowitz

PANEL 10 - PUBLIC (IN-PERSON)

Mestawet Endaylalu

Clifford DuPree

Gerry Moore-Murray

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

Yvonne Peña

PANEL 11 - PUBLIC (IN-PERSON)

Jesse Horwitz

Brendan Cheney

Arielle Hersh

PANEL 12 - PUBLIC (IN-PERSON)

Julian Parker <-- NEXT

Eric Blaha

Tabitha Ward

Lucy West

Logan Phares

Amber Schwartz

PANEL 13- PUBLIC (IN-PERSON)

Richard W. Mark

Christopher Leon Johnson

Martha Greenough

PANEL X - PUBLIC (ZOOM)

Julia Engel

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

Marc H. Schneider, Esq.

Miranda DeNovo

Alexis Foote

Daniel Arnow

Kevin Wolfe

Rachel Bradshaw

Ruvym Gilman

Sergii Starostin

Grace Rauh

1 COMMITTEE ON HOUSING AND BUILDINGS

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2 SERGEANT AT ARMS: Mic check, mic check, it's a
3 mic check on the Committee on Housing and Buildings.
4 Today's date is December 2, 2025, in Hearing Room 1,
5 recorded by Walter Lewis.

6 SERGEANT AT ARMS: Good morning. Welcome to
7 today's New York City Council Hearing for the
8 Committee on Housing and Buildings. At this time, we
9 would like to ask everyone to place all electronic
10 devices to vibrate. Moving forward, no one is to
11 approach the dais unless you are announced. Chair,
12 we are ready to begin.

13 CHAIRPERSON SANCHEZ: [GAVEL] Good morning and
14 welcome to the December 2025 hearing of the Committee
15 on Housing and Buildings. I am Council Member
16 Pierina Sanchez, Chair of this Committee. On behalf
17 of the Committee and the New York City Council, I'd
18 like to welcome the members of the public who are
19 here today.

20 During this hearing, as we hear testimony from
21 the members of the Administration and members of the
22 public, a reminder that members of the audience must
23 remain silent. If you wish to express support for
24 any remarks, you make this silent approval gesture
25 throughout this hearing. You may hear opinions that

2 differ from your own. Decorum and civility must be
3 maintained throughout this hearing. It is essential
4 that even if we disagree, we treat each other with
5 respect and for any member of the public that would
6 like to testify, please be sure to fill out a
7 testimony slip with the Sergeants at the front of the
8 room and clearly indicate your name, topic of
9 testimony, and whether you support or oppose any of
10 the legislation to be heard today. I want to make a
11 note since we're doing marathon very long hearings in
12 the Housing Committee. Uhm, when you are testifying,
13 when the public is testifying, you may not get to the
14 end of your remarks. You may not continue unless I
15 give you permission. Okay, that is a procedural -
16 that is a matter of process. I will probably give
17 you permission just to conclude. We'll try to keep
18 the testimony to just two minutes today and I'll try
19 to make sure - we want to make sure to hear from
20 everyone but you may not say, I'm going to conclude.
21 That is not allowed, okay? I will have to cut you
22 off and I have given - it's just a procedural thing.
23 I have to give permission okay as the Chair. So,
24 thank you.

2 Alright, so we will first hear from the
3 Administration. We anticipate that will be about two
4 hours and then my colleagues will join and ask
5 questions as they are here and then the public will
6 give your testimony.

7 Today, our purpose is to conduct oversight into
8 how our antidiscrimination laws are working in the
9 context of cooperative and co-op and condo housing in
10 the City of New York and to consider legislation that
11 brings transparency and fairness to approval
12 processes. Co-ops and condos are one of the main
13 paths to homeownership in New York City. 13 percent
14 of occupied homes are in co-ops and 28 percent of
15 owner occupied homes are in co-ops. But co-ops are
16 also unique, even after a buyer and seller agree on a
17 price, the deal only closes if the Board says yes.

18 The Board requests tax returns, credit scores,
19 references and more and then in some instances, could
20 take months and say no without ever giving a reason.
21 Let's say this plainly, discrimination is happening
22 today and everyone knows it. Brokers, lawyers, and
23 even some board members have admitted in outlets like
24 the Real Deal and elsewhere that bias is real and
25 pervasive part of this process. People of color,

2 families with children, LGBTQIA New Yorkers, people
3 with disabilities, people in certain professions, all
4 can be quietly screened without ever being told why.

5 We have strong fair housing laws on the books but
6 in the co-op and condo sales context, they are often
7 toothless. Unlike rentals where advocates can run
8 testing and catch discrimination, you can't really
9 send testers to buy in the same apartment three times
10 and see how the board responds. When the final
11 decision is made in a closed room with no
12 explanation, it is almost impossible to prove what
13 really happened. Secrecy is not a neutral feature of
14 the system. It is a condition that allows
15 discrimination to flourish and go unchallenged.

16 What our bills do and actually - what the bills
17 do and do not. The first bill, Intro. 407-A,
18 sponsored by Public Advocate Jumaane Williams and
19 many of my colleagues is the Fair Residential
20 Cooperative Disclosure law or the reasons bill. It
21 does one very focused thing. It applies only after a
22 buyer and seller have reached a deal. It requires a
23 board. If it says no, to give the buyer and seller a
24 timely specific reason and it creates a limited

2 remedy if the board refuses to give an any real
3 reason at all.

4 It does not tell boards who they have to approve.
5 It does not change the legal reasons for which a co-
6 op or condo can say no. It does not create personal
7 liability for board members. At least it does not
8 intend to. Find our modest tied to the severity of
9 noncompliance, and the resources of the cooperation
10 and any punitive damages are only available for
11 willful repeated violations.

12 We hear a lot of arguments against these bills
13 and let me address a few briefly. I look forward to
14 your counter arguments when you testify later. We
15 already have laws against discrimination is one.
16 Laws that you can enforce are not working, co-op and
17 condo secrecy is precisely what makes our fair
18 housing laws so hard to apply here. We also hear
19 this will open the floodgates to lawsuits. The only
20 new claim is about the failure to disclose, not the
21 substance of the boards judgement. If the board
22 states their reason clearly and on time, they face no
23 new liability. Another, board members will be
24 personally sued and will stop serving on boards. The
25 bill targets co-op cooperations, not individual board

2 members and New Yorkers serve on boards of many other
3 housing entities that already operate with more
4 transparency and accountability.

5 Another one is this undermines board discretion
6 and fiduciary duty. The bill explicitly preserves
7 lawful reasons to deny an application. Discretion
8 has never included the right to discriminate in
9 secret. We know this.

10 And lastly, it will be too hard or expensive to
11 comply. Boards are already deliberating and they
12 know why they vote no. Putting that in writing a few
13 times a year is not an unreasonable burden in
14 exchange for basic fairness.

15 Other jurisdictions, West Chester, Suffolk,
16 Nassau County, have already adapted similar
17 disclosure laws and timelines. Those places are
18 doing okay. The sky is not falling. What has
19 changed is that discrimination is easier to spot and
20 harder to hide. The second bill, Intro. 438, which I
21 sponsor is about informed decision making for buyers.

22 Co-ops can demand exhaustive financial
23 information from buyers but buyers often have very
24 limited insight into the buildings own finances.
25 This bill would require co-ops and condos to provide

2 basic financial information, such as audited
3 statements so buyers are not walking in blind into
4 risky situations.

5 The third bills, Intro. 1120-A sponsored by
6 Majority Leader Amanda Farias, simply sets a
7 reasonable timeline for boards to act on an
8 application to protect purchase shares.

9 No one should have to put their life on hold
10 indefinitely. And finally, Intro. 1475, a bit
11 unrelated but related in the grander context of fair
12 housing in New York City, sponsored by Council Member
13 Erik Bottcher, would create a legal framework for
14 shared housing. Legal rooming units with shared
15 kitchens and common areas.

16 In the middle of a historic housing crisis, we
17 are discussing safe, regulated options for single
18 adults and others who can't afford a full apartment
19 on their own. This bill sets clear standards for
20 protections while unlocking an important piece of the
21 solutions set.

22 I want to end with this, today's hearing is not a
23 referendum on whether co-op boards are good or bad,
24 it is about whether we as a city are willing to
25 acknowledge that a serious problem persists. That

2 discrimination flourishes in the dark and whether we
3 are prepared to take reasonable targeted steps to
4 address it.

5 To those testifying in support or opposition,
6 specifically opposition. It is not a productive use
7 of the space simply to oppose no, no, no without
8 offering alternative paths forward. Particularly, if
9 you agree that there is a problem within our city.

10 If you believe that these bills are not the right
11 tools or there are problems with elements of any
12 bill, then please tell us what you would do instead
13 to ensure that co-op access is not governed by bias
14 or secrecy. Because doing nothing is an effective
15 vote to maintain the status quo, which we know is not
16 fair. Our goal is simple, equitable access to homes,
17 not blocked opportunity. That is what these bills
18 are about and I look forward to our conversation.

19 I'd like to take this opportunity to thank my
20 team, Chief of Staff Maria Villalobos, Deputy Chief
21 of Staff Ben Ratner and Kim Castellanos, Gerard
22 Fernandez, Brenda Muniz, Stefanie Kusi and Dylan
23 Campos (SP?). I'd also like to thank the Housing and
24 Buildings Committee staff Senior Legislative Counsel
25 Austin Malone, Legislative Counsel Billy Eck, Senior

COMMITTEE ON HOUSING AND BUILDINGS

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2 Policy Analyst Jose Conde, Policy Analyst Dirk
3 Spencer, Finance Analyst Carla Naranjo, and Data
4 Scientist Reese Hirota. It takes a village.

5 We are joined today by Majority Leader Farias and
6 I will now turn to her for remarks on her
7 legislation.

8 COUNCIL MEMBER FARIAS: Thank you Chair Sanchez
9 and thank you to the members of the Committee for
10 holding today's hearing and providing the opportunity
11 to speak on my bill Intro. 1120. This legislation is
12 about strengthening good management and sharing
13 fairness and clarity and combating illegal
14 discrimination with the New York City's Cooperative
15 Housing System by bringing much needed transparency
16 to the cooperative sale and purchase process.
17 Cooperative apartments or co-ops are for many New
18 Yorkers, the gateway to home ownership for the middle
19 class. But unlike purchasing a single family home,
20 buying a co-op requires an additional step, review
21 and approval by a co-op board and right now, under
22 existing law, a board can simply choose not to
23 respond to an applicant at all. A perspective
24 homeowner can complete every requirement, submit
25 financial disclosures, enter into an agreement with

2 the seller, pay a deposit and downpayments, file
3 their application, and still receive no
4 acknowledgement or decision for weeks or even months.
5 Some are left waiting indefinitely with no
6 acknowledgement, no communication and no decision.
7 And while most co-op boards are responsible,
8 thoughtful, neighbors who act in good faith, this
9 legal vacuum allows for bad actors to discriminate
10 against potential buyers. This lack of structure
11 benefits no one. It leaves buyers in uncertainty,
12 creates confusion for brokers and sellers and exposes
13 co-op boards to claims of inconsistency, bias or
14 discrimination.

15 My bill, Intro. 1120 establishes a clear
16 procedural framework for cooperative corporations in
17 New York City that will remedy this problem. It sets
18 out practical timelines and communication standards
19 that bring structure and consistency to the
20 application process while fully preserving a boards
21 authority to prove or deny any application.

22 I understand that co-op board members serve on a
23 volunteer basis and I appreciate everything that
24 these volunteers do to keep their building running
25 smoothly.

2 That is why this bill is clearly drafted and is
3 as easy for responsible good actors to comply with.
4 First, the bill would not apply to co-ops with fewer
5 than ten units. Additionally, there are ample
6 opportunities for boards to request extensions as
7 needed. Further, the timeline for boards to respond
8 pauses if co-op boards do not meet in the summer
9 months. And to be fair, the timeline requirements in
10 the bill do not start until the board deems that the
11 application is complete. The only effective
12 procedural change effected by my bill is that the co-
13 op corporation must confirm receipt and indicate
14 whether they view the application as complete or
15 incomplete. They can then decide as they can now
16 whether they unconditionally approve, conditionally
17 approve or deny an application.

18 This framework ensures timely communication,
19 accurate record keeping, and predictability for every
20 party involved. All while maintaining the discretion
21 and independence that co-op boards rightfully hold.
22 It is intended to formalize good practices, eliminate
23 the potential for discrimination and put an end to
24 the limit list waiting that so many applicants
25 endure. This bill mirrors the success of near

2 identical laws already enacted in surrounding
3 counties, such as West Chester, Rockland, Nassau,
4 Dutchess and Suffolk, where consistent timelines have
5 improved efficiency and reduced confusion without
6 disrupting board operations as far back as 2009.

7 In the case of Suffolk County, if they can do it,
8 so can New York City. Even with the majority of co-
9 op boards operating in accordance with the law,
10 discrimination is still apparent in the cooperative
11 housing market, otherwise financially qualified
12 applicants are still being denied access to home
13 ownership on the basis of their skin color, religion,
14 nationality, sexual orientation or other
15 characteristics that should have no bearing on their
16 ability to access housing. Without legally requiring
17 a timeline to respond, applicants don't even have to
18 be denied, just ignored.

19 The absence of a timeline allows discrimination
20 to fester. It keeps New Yorkers who want to buy
21 homes in limbo and with their deposits and down
22 payments frozen indefinitely. Sellers are forced to
23 stay in apartments that could have been sold. All of
24 these reasons make it abundantly clear how vital
25 clarity and consistency are to this process. Not

2 only for buyers and sellers but for the health of our
3 housing market overall, especially as we find
4 ourselves amidst a housing and affordability crisis
5 in New York City.

6 The time to close this loophole is now. I'm
7 proud to be the sponsor of Intro. 1120 because it
8 proves we do not have to choose between strong co-op
9 boards and fair treatment for buyers. We can have
10 both and this bill makes that possible. By codifying
11 these procedural steps, we strengthen to process
12 supports on management and promote good faith
13 communication for all parties involved in the
14 cooperative housing purchasing process.

15 As we listen to testimony today, I would
16 respectfully ask my colleagues to hear the stories of
17 those impacted by the lack of fairness and
18 transparency in the cooperative purchase process and
19 join me in improving the process to purchase a
20 cooperative apartment.

21 I respectfully urge the Committee to support
22 Intro. 1120 and its advancement towards passage.
23 Thank you again to Chair Sanchez and thank you to the
24 members of the Committee for your continued

2 leadership in advancing effective housing policy in
3 New York City.

4 CHAIRPERSON SANCHEZ: Thank you Majority Leader.

5 I'd like to acknowledge that we've been joined by
6 Council Member Restler and Council Member Hudson.

7 I'd now like to turn it over to our Public Advocate
8 Jumaane Williams to read his remarks.

9 PUBLIC ADVOCATE WILLIAMS: Thank you Madam Chair.
10 As mentioned, my name is Jumaane Williams, good
11 morning. Public Advocate of the City of New York.
12 Thank you Chair Sanchez and the members of the
13 Committee on Housing and Buildings for holding this
14 hearing today.

15 Cooperative developments offer an opportunity for
16 homeownership, which would otherwise be inaccessible
17 to many New Yorkers. However, a long history of
18 discriminatory practices in this industry, both overt
19 and implicit have left a gapping loophole in fair
20 housing enforcement. As co-ops are considered
21 businesses, they are bound by corporate law which
22 requires them to act in the best interest of
23 shareholders. The extended discrimination is
24 difficult to quantify but it is estimated to be a
25 factor in almost a fifth of board decisions with

2 broker agents reporting common code words like, "NOK"
3 or "NQ" to indicate Not our Kind or Not Quite.
4 Because a potential buyer can wait lengthy periods
5 only to be denied with no explanation, it can be
6 difficult to prove a subsequent application to access
7 co-op ownership after denial.

8 To that end, I submitted legislation Intro. 407
9 which would require cooperatives to disclose, to
10 reject that applicants specific reasons their
11 application was denied.

12 If the Co-Op Board turns down an applicant, the
13 applicant should be told the specific reasons for
14 that denial. This transparency would allow
15 applicants to better understand and address any
16 genuine application deficiencies and it would further
17 mitigate discrimination as a secrecy surrounding
18 those decisions fosters an environment in which
19 discrimination thrives. Furthermore, with more than
20 6,800 co-op buildings in New York City, more than any
21 other municipality in the country, remain these
22 closed door systems would have a tremendous impact on
23 the efforts to make homeownership more equitable and
24 accessible, setting an important precedent.

2 Besides the benefits of individual buyers, the
3 transparency also would make it harder to
4 discriminate against a candidate if financial records
5 are good on paper. It cannot prevent every potential
6 instance of discrimination by genuine bad faith
7 actors, but a written explanation requires a more
8 legitimate or at least specific and actionable
9 rationale with denial. I also went and looked up
10 Chair Sanchez's bill Intro. 438 which would require
11 property owners to provide financial information to
12 perspective purchases of opportunities.

13 And Majority Leader Farias's bill 1120-A, which
14 sets a timeline. Hopefully we can work on all of
15 these bills together. These bills would equip
16 perspective buyers with crucial information moving us
17 one step closer to eliminating a long standing
18 asymmetry of information.

19 Creating more transparency to the entire
20 application process is critical, as we encourage
21 homeownership in our city. I want to thank Chair
22 Sanchez, Majority Leader Farias, as well as members
23 of my own policy team for working together on getting
24 these bills to this point. I also want to thank
25 Craig Gurian, who were working tirelessly with my

2 team to build a coalition around this legislation. I
3 hope to see them pass this session. I do want to say
4 this is not an indictment of any one specific co-op
5 building. This is a systemic issue that we've seen
6 for quite some time. And I know it is difficult to
7 parse through everything that's going on and how each
8 of these co-op boards work. It is difficult to
9 change things if we don't change things, so we do
10 have to find a way to how to make the changes that
11 are necessary and still allow the autonomy of that
12 co-op to need but we can't allow the system to
13 continue to work the way it has been working because
14 we, I think most folks agree, there has been
15 discriminating practices whether intentional or
16 unintentional that have brought a lot of people in
17 these homeownerships. I'm hopeful everyone involved
18 will really take efforts to find the best ways to
19 crack these bills so that they can pass and we can
20 really impact a problem that I think everyone knows
21 exists. Thank you so much.

22 CHAIRPERSON SANCHEZ: Thank you so much Public
23 Advocate, I'd now like to turn it over to our Counsel
24 to administer the oath.

2 COMMITTEE COUNSEL: Thank you. Please raise
3 your right hand. Do you affirm to tell the truth,
4 the whole truth, and nothing but the truth before
5 this Committee and to respond honestly to Council
6 questions?

7 PANEL: Yes.

8 COMMITTEE COUNSEL: Thank you. You may begin
9 when ready.

10 JOANN KAMUF WARD: Thank you. Good morning Chair
11 Sanchez, Majority Leader Farias, members of the
12 Committee on Housing and Buildings, Council Members
13 Restler and Hudson, Public Advocate Williams and
14 Committee staff and all the folks that were named
15 that are behind the scenes today. I'm Joann Kamuf
16 Ward, Deputy Commissioner of Policy and External
17 Affairs at the New York City Commission on Human
18 Rights, also known as CCHR and I'll be delivering
19 joint agency testimony on several of the bills. With
20 me today from CCHR is Hillary Scrivani, Director of
21 Policy and Adjudication's and I'm also joined by Lucy
22 Joffe, the Deputy Commissioner for Policy and
23 Strategy and Neil Reilly, Assistant Commissioner for
24 Housing and Equity at the New York City Department of
25 Housing, Preservation, and Development as well, I

2 don't want to leave out Michael Sandler because he's
3 here but he's giving his own testimony. I'm happy to
4 be here with you today.

5 The city is committed to ensuring that every New
6 Yorker has an opportunity to address the
7 discrimination they experience. In 2020 and again in
8 2025, the city released Where We Live NYC. Where We
9 Live 2025 is a five year housing plan that sets out
10 goals, strategies, and commitments to combat housing
11 discrimination and expand housing opportunity across
12 New York City.

13 Goal one is to fight discrimination and ensure
14 equal access to housing. This includes commitments
15 for multiple agencies to work together to do a wide
16 array of things. I'm going to highlight three that
17 are relevant specifically to this Committee. First,
18 to expand capacity to address allegations of housing
19 discrimination with particular tension to source of
20 income discrimination and disability discrimination,
21 including through community partnerships and
22 collaboration with Council to create and implement a
23 strategic education campaign to inform housing
24 providers and housing seekers about the New York City
25 Fair Chance Housing Law, which prohibits

2 discrimination based on criminal history and went
3 into effect January 1st of this year.

4 And third, to educate New Yorkers about the right
5 to be free from discrimination in housing sale and
6 educate housing providers about their obligations
7 under fair housing laws. The plan specifically
8 recognizes the issue of co-op discrimination.

9 Although CCHR and HPD have limited roles in private
10 market transactions, such as co-op purchases, our
11 agencies welcome the opportunity to speak with you
12 today about the city's housing market and ongoing
13 work to prevent and address housing discrimination.

14 As HPD has discussed with this Committee many
15 times, the city's rental market has been in a state
16 of housing emergency and across all types of housing
17 is experiencing extremely low vacancy rates.

18 Where we live 2025 notes that limited vacancy can
19 intensify discriminatory practices. Cooperatives or
20 co-ops as have already been mentioned are one of
21 multiple types of homeownership in New York City.
22 Owners buy shares in the co-op, which functions much
23 like a corporation and become shareholders in the
24 corporation. The New York State Attorney General
25 regulates the formation and many of the processes

2 involved in operating co-ops. Co-op members
3 generally elect a board of directors who are charged
4 with ensuring the co-op remains financially stable,
5 resolving conflict and overseeing operations. The
6 process of buying into a co-op is unique, as the
7 Chair has already identified from other types of
8 housing and increasing transparency and decision
9 making has long been a policy focus to address a
10 range of concerns including but not limited to
11 rooting out discrimination. When a perspective co-op
12 purchaser believes they've experienced discrimination
13 in the buying process, they have multiple potential
14 avenues for pursuing a remedy.

15 New York City and State laws prohibit
16 discrimination in rental and sales and individuals
17 who believe they've experienced discrimination can
18 seek redress for discrimination through anti-
19 discrimination agencies such as the Commission on
20 Human Rights and the New York State division as well
21 as in courts. The Commission has actively worked to
22 raise awareness about the wide range of protections
23 in housing that already exist in the City Human
24 Rights Law, including as I mentioned the newly
25 enacted Fair Chance Act, as well as disability

2 protections through innovative collaborations and
3 partnerships to reach New Yorkers outside of
4 traditional media channels and government
5 communications.

6 Turning to the bills, I will focus on Intro. 407-
7 A. Intro. 407-A amends Title 8 of the Ad Code which
8 has a civil rights protection. The bill would add a
9 new chapter, which regulates how and when housing
10 cooperatives communicate with perspective purchasers
11 when they are denying sale. This includes mandating
12 the statement of all the reasons that an applicant's
13 offer is not accepted. The bill create a private
14 right of action for failing to comply with these
15 requirements and authorizes the Commission to address
16 claims related to timelines, disclosures, and other
17 procedural requirements related to sales and to
18 evaluate all of the potential reasons a sale may have
19 been denied.

20 Intro. 438 and 1128, amend Title 26. The former
21 would require cooperative housing corporations to
22 provide approved purchasers with financial
23 information with 14 days of their request and the
24 later establishes standardized procedures for
25 cooperative apartment boards, requiring boards to

2 provide a complete application package upon request
3 to applicants and setting timeframes to acknowledge
4 receipt of submitted materials, identified
5 efficiencies, and issue a final decision.

6 The city supports Council's goals of tackling
7 discrimination and strengthening transparency and
8 predictability in the co-op application process.

9 While neither agency plays a direct role in
10 regulating these transactions, we look forward to
11 sharing our collective expertise in discrimination
12 enforcement and the housing market, to help inform
13 how these pieces of legislation can best achieve our
14 collective policy goals.

15 Our agencies look forward to hearing stakeholder
16 input in order to ensure these pieces of legislation,
17 balanced stakeholder interests and achieve Council's
18 objectives of eliminating discrimination and we
19 welcome as always the opportunity to work with
20 Council on these important issues.

21 MICHAEL SANDLER: Good morning Chair Sanchez,
22 Public Advocate Williams and members of the Committee
23 on Housing and Buildings. My name is Michael
24 Sandler. I'm the Associate Commissioner for
25 Neighborhood Strategies at HPD. I'm joined by my

2 colleague Lucy Joffe, uhm Deputy Commissioner of
3 Policy and Strategy. We're also joined by Elizabeth
4 Suarez, Director of Architecture at the Department of
5 Buildings for questions. Thank you for the
6 opportunity to testify on Intro. 1475 today.

7 In 2020 and again this year, HPD affirmed its
8 commitment to Fair Housing through Where We Live NYC.
9 A plan to expand opportunity and choice for all New
10 Yorkers. In order to advance this commitment, we are
11 looking both to innovative ideas and to draw on
12 lessons from the past. Shared housing represents an
13 opportunity to reimagine a historic housing model for
14 the 21st Century.

15 Shared housing, which is two or more privately
16 leased bedrooms with shared kitchens, bathrooms and
17 living spaces, has a long history in New York City.
18 By the first half of the 20th Century shared model,
19 such as boarding houses and single room occupancy
20 hotels constituted a substantial and affordable part
21 of New York City's housing stock. They served a wide
22 range of households from immigrants newly arrived on
23 the city's shores to young people flocking to the
24 city for factory jobs to New Yorkers looking for a
25 short-term place to stay as a navigated life changes.

2 However, policies implemented in the mid-20th
3 Century, intended to improve housing quality led to a
4 prohibition on the construction of new shared housing
5 and a sharp reduction in the existing stock.

6 The loss of this stock, coincided with the rise
7 of street homelessness. In the 1980's, realizing the
8 role the model played in housing New Yorkers, the
9 city tried to reverse course and stop the wholesale
10 conversion of shared housing, but the damage was
11 already done and the SRO stock was significantly
12 diminished.

13 The impacts of these policies reverberate across
14 the city today. Per the American Community Survey,
15 between 2013 and 2023, the number of small households
16 increased by 11 percent while growth in the city's
17 small unit stock failed to keep pace, growing only
18 7.5 percent during the same period.

19 While it is clear that New York City needs
20 housing across all types and household sizes, a
21 growing number of single adults are taking on
22 roommates to mitigate high housing costs and the lack
23 of affordable housing for single persons.

24 This trend puts additional pressure on the city's
25 existing stock of larger homes, as single persons

2 pulling multiple incomes out compete one or two
3 income families. Increasingly roommates shares have
4 been commercialized and landlords are renting
5 individual rooms and illegally converted apartments,
6 compromising tenant safety by violating fire safety
7 and egress rules and blacking access to light and
8 air. A burgeoning and unregulated market of co-
9 living shows that there's demand for this type of
10 housing in New York City at a variety of price
11 points.

12 Reintroducing purpose built shared housing models
13 provide a new set of tools to expand housing
14 opportunity and choice to the growing population of
15 single New Yorkers.

16 Intro. 1475 will establish clear design occupancy
17 and safety standards to promote harmonious living
18 with more kitchens and bathrooms than historically
19 required for SRO's, to mitigate conflict and
20 increased privacy and fire safety standards that meet
21 those or exceed those of traditional apartments
22 buildings.

23 New shared housing will be built based on new
24 regulations which ensure effective tenant protections
25 at high quality and safety standards. On November

2 25th, HPD released New York city's shared housing
3 roadmap, which lays out a path for reintroducing
4 shared housing. The roadmap builds on lessons
5 learned from past shared housing models and recent
6 efforts to expand housing options and opportunities
7 for New Yorkers.

8 In 2018, HPD launched the Share NYC pilot program
9 to explore potential shared housing models on three
10 sites across the city. In the course of developing
11 these projects, we encountered myriad zoning code and
12 policy challenges that slowed development and raised
13 costs without improving quality of life.

14 Where We Live NYC's commitment to facilitate
15 equitable housing development bolstered HPD's efforts
16 to overcome barriers to shared housing. The passage
17 of City of Yes for Housing Opportunity in December
18 2024, removed zoning barriers identified in the
19 roadmap. Today, Intro. 1475 sponsored by Council
20 Member Erik Bottcher, advances the roadmaps
21 legislative strategies to allow as of right
22 construction of new shared housing and introduces
23 code changes governing it's design occupancy and
24 safety. The shared housing roadmap and the
25 strategies it lays out are the result of careful

2 research analysis and testing over nearly a decade.
3 Research into the legislative history of shared
4 housing provided a strong foundation for
5 understanding the strengths of historic models and
6 the operational pitfalls to avoid. Conversations
7 with shared housing tenants, nonprofit and for-profit
8 co-living operators, policy experts and other
9 municipalities implementing shared housing models
10 provided context on modern day operations and best
11 practices. Collaboration with other agencies
12 including the Department of Buildings, the Department
13 of City Planning and the Fire Department as well as
14 partners like the Administration for Children
15 Services and the Mayor's Office for Criminal Justice,
16 ensured a comprehensive, multisectoral approach that
17 examined the model from a variety of perspectives.
18 Lessons learned from implementing - from the
19 implementation of other new housing typologies like
20 accessory dwelling units informed our legislative
21 approach.

22 Taken together these efforts, chart a path to
23 enable shared housing that ensures robust design
24 management and tenant protections. As New York City
25 continues to grapple with growing housing demand,

2 rising rents and high construction costs, shared
3 housing opens up new opportunities. In central areas
4 where office to residential conversion opportunities
5 are abundant, shared housing offers the potentially -
6 the potential to not only create more units within a
7 large office flow plate but to also develop less
8 costly conversions by clustering bathrooms and
9 kitchens around pre-existing centrally located
10 plumbing networks. Shared housing can also increase
11 tenant protections for thousands of renters by
12 providing them a housing option. This separate and
13 independent relationship with their landlord through
14 individual leases and good cause evictions
15 protections. Shared models can also create
16 opportunities for communal caregiving, shared
17 responsibilities and light touch services for
18 households who may be isolated or vulnerable in
19 traditional housing but who do not need the depth of
20 care provided by supportive housing.

21 Existing shared housing programs in New York City
22 demonstrate that the model can serve New Yorkers who
23 were seeking a communal lifestyle or who are
24 navigating a transitory phase of life as well. The
25 ascending Ali Forney Center, share NYC project, which

2 was approved by the City Council in 2023, provides an
3 opportunity for formerly homeless young adults to
4 learn life skills for independent living while
5 sharing costs and responsibilities with fellow
6 residents and maintaining a support system through
7 communal living arrangements.

8 The Neighborhood Coalition for Shelters Scholars
9 program provides unhoused CUNY students with stable
10 year around housing and educational supports to see
11 them through to graduation. The New York City Found
12 - the New York Foundlings Mother and Child program
13 supports caregiving by providing shared housing for
14 new mothers who are themselves young adults in foster
15 care where they can finish school, find employment
16 and learn how to care for their children. The
17 International House in Harlem provides a first time
18 home - for a first home for students and young
19 professionals from abroad who do not have credit
20 scores or other necessary resources to access housing
21 on the private market and offers opportunities for
22 new arrivals to settle into a purpose filled
23 community.

24 While these models demonstrate the possibilities
25 that shared housing can offer, we want to be clear

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2 that model is not a right fit for everyone. Heading
3 the expertise from the supportive housing community,
4 HPD has determined that shared housing is not the
5 right fit for most supportive housing residents and
6 as with all our programs, no one will be forced to
7 live in shared housing that does not meet their
8 needs.

9 Additionally, shared housing is not transitional
10 or short term housing, it is Class A permanent
11 housing that is not a substitute or supplement to the
12 shelter system and it will not be permitted to host
13 short term rentals.

14 Intro. 1475 in collaboration between the City
15 Council, HPD and the Department of Buildings and the
16 Fire Department, brings the vision for shared housing
17 articulated in the shared housing roadmap into
18 reality by proposing amendments to the Housing
19 Maintenance Code, Building Code and Fire Code. At a
20 time when vacancy rates are at an all-time low,
21 especially among New York City's lowest cost
22 apartments, we need to take a multipronged approach
23 to the housing crisis. Shared housing is one of many
24 tools HPD is deploying to tackle the crisis. While
25 not the appropriate model for all New Yorkers, shared

2 housing offers a new option for single New Yorkers
3 seeking communal living at an affordable price. We
4 are grateful for our continued partnership with the
5 Council and our collective efforts to address the
6 shortage of low cost housing and meet the needs of
7 our diverse residents.

8 We welcome the opportunity to work with the
9 Council to advance this historic legislation and look
10 forward to your questions.

11 CHAIRPERSON SANCHEZ: Thank you. Thank you so
12 much. I'd like to acknowledge that we've been joined
13 by Council Member Dinowitz. Thank you. So, I will
14 begin with questions and colleagues let me know if
15 you want to ask questions as well. Starting with
16 CCHR, just a clarifying question on your testimony
17 before I begin my line of questions. So, you stated
18 in your testimony that the city supports the
19 Council's goals of tackling discrimination and
20 strengthening transparency and predictability in the
21 co-op application process. Our understanding is that
22 you would be the agency that would be enforcing these
23 provisions should they come into law. Do you have a
24 perspective on these provisions in particular?

2 JOANN KAMUF WARD: Thank you so much for the
3 question. I think these three bills, four bills but
4 the three that I'm going to speak about uhm regarding
5 co-op timelines and procedures are spread across
6 different parts of the code and I think part of the
7 discussion we want to have with you all today is
8 about what are the right mechanisms for redress. So,
9 I think as was identified, CCHR does handle
10 discrimination in the co-op space. We have cases in
11 that space and we can talk about what those look like
12 and so, the discrimination piece, 100 percent within
13 our purview. I think one of the things that we've
14 been talking about as city agencies in which we want
15 to hear from stakeholders about is the mechanisms of
16 the bill, the timeframes and the other disclosures.
17 Uhm, because we are not in the market every day. We
18 are not a housing provider and we're not a
19 cooperative owner and so, thinking about are these
20 the right disclosure mechanisms? Are these the right
21 timelines? Those are not questions that we in the
22 antidiscrimination space are really prepared to take
23 a position on. We are prepared to say we abhor all
24 forms of discrimination and when that shows up in co-
25 ops, that is antithetical to our law and our values

2 but really it's the mechanics that are outside the
3 discrimination piece where we really want to work
4 hand and hand with you and stakeholders to understand
5 what is the right approach.

6 CHAIRPERSON SANCHEZ: Thank you.

7 JOANN KAMUF WARD: And I'll just turn - since its
8 joint testimony, I want to make sure HPD has a chance
9 to weigh in if there's anything to add.

10 LUCY JOFFE: Good to see you all again.

11 CHAIRPERSON SANCHEZ: Welcome to your weekly
12 installment of HPD at City Council hearings.

13 LUCY JOFFE: We have to stop meeting like this.
14 Nope, three times last week. Uhm, uh yes, HPD agrees
15 with CCHR on that.

16 CHAIRPERSON SANCHEZ: Okay, so I'm - I just want
17 to be super clear, I'm hearing the agency support the
18 intent of the legislation.

19 JOANN KAMUF WARD: Yeah, I think we support the
20 intent and as I said, to the extent these are about
21 addressing discrimination. We are with mechanisms to
22 ensure transparency information, empower applicants.
23 Whether they're renters or buyers. I think where we
24 are more agnostic and really want to hear from other
25 people is on the timelines and other mechanisms

2 because I think as you identified Chair Sanchez, this
3 is different than a lot of the types of
4 discrimination we see in the rental space, right? In
5 the rental space, you can never consider someone's
6 protected category. What you can and should look at
7 is, can they afford to pay the rent? If you're
8 looking at anything beyond that, it's pretty clear
9 there's potential for discriminatory motive. I think
10 in the housing cooperative sales universe, where
11 you're looking at a whole host of financial health
12 and wellbeing of a business, there are more factors
13 that go into play in looking at cooperative
14 applications.

15 So, I think just finding a distinction there
16 between what are the moving parts in renting and what
17 are the moving parts in housing. I think what makes
18 it a challenging area to regulate but we're not
19 opposed in any way to regulating processes. We just
20 want to make sure that any regulation meets the needs
21 of the buyers, the sellers and doesn't impose burdens
22 that don't hit on the discrimination piece, right?
23 You can have a lot of paperwork, that doesn't mean
24 you're able to prove discrimination happened. If
25 that is not the right documentation or if there's the

2 ability for entities to paper over what their actual
3 motives were.

4 CHAIRPERSON SANCHEZ: Thank you. That is
5 helpful. Uhm, CCHR, you investigate discrimination
6 across all kinds of housing. You mentioned that a
7 co-op and condo discrimination does come to the
8 agency as well. Complaints do come to the agency as
9 well. Can you share how many complaints the Human
10 Rights Commission has received say in the last year
11 alleging discriminatory board denials. What
12 percentage resulted in findings of discrimination?
13 And what percentage or number was denied due to lack
14 of evidence?

15 JOANN KAMUF WARD: Yes, I want to contextualize
16 the answer by referencing something that was in our
17 testimony, which is that individuals have an array of
18 choices where they - for where they can go to address
19 discrimination.

20 So, people can choose to go to court where
21 remedies can be endless. People can choose
22 administrative processes like CCHR or the state
23 division where there are some more restrictions about
24 what are appropriate remedies. As I stated, housing
25 is of deep importance to the Commission and in fact,

2 the Human Rights Law was written at a time when
3 people were on their face being rejected from renting
4 or buying houses purely because of the color of their
5 skin. So, this is a super important topic to us and
6 really the foundation of the Human Rights Law.
7 Employment cases are the most cases that we receive.
8 In recent years, we in the housing space, have had
9 several hundred cases, about 500 within that a much,
10 much smaller amount, ten percent more or less relate
11 to co-ops. To complicate the picture a little bit
12 more, a very small number of those relate to sales,
13 the majority of them are about disability
14 discrimination for current tenants. So, the failure
15 to be able to have a reasonable accommodation, which
16 I know is something Council is very interested in as
17 well. So, disability discrimination is the number
18 one. Rental discrimination also happens in the
19 cooperative space. So, I would say that is another
20 high area of cases for us. That is either the board
21 is seeking to rent out a unit or individuals legally
22 or not legally are seeking to sublet and we've seen
23 voucher discrimination in this space. As you know
24 that's also one of our top priorities. Uhm, so the
25 short answer to your question is we receive really a

2 small handful of cases about co-op sales. A larger
3 universe of cases related to co-op boards and when we
4 zoom out, more eve about housing. I think before
5 kind of answering the second part of your question, I
6 do want to highlight in recent years, during this
7 administration, which uhm, you know I have been a
8 part of two administrations during the time that
9 we've been at the agency. Co-op and condo sales have
10 been an important part of the education and outreach
11 we do. Our kind of agency modo is you know an ounce
12 of prevention is a pound of cure and so, all of our
13 trainings touch upon co-op and condos. We know it is
14 a space that is hard to understand sometimes for
15 applicants but the processes are complicated. I went
16 to law school, that doesn't mean I understand all the
17 processes.

18 Really wanting all New Yorkers, we engage with to
19 know that this is a violation of the law. And to
20 that end, I will say one more thing before I talk
21 about the outcomes of cases. We launched a
22 partnership with the Fordham Real Estate School two
23 years ago to specifically train housing brokers. So,
24 real estate brokers, and kind of the main face of
25 real estate transactions for many New Yorkers are the

2 management companies or the real estate brokers. So,
3 we give folks credit if they come learn about fair
4 housing laws. That's free, we've reached almost
5 2,000 housing real estate brokers in that outreach
6 and again, really focused on how do we empower New
7 Yorkers and how do we address discrimination?

8 So, turning back to the specific question, which
9 is that we really have had a handful of these cases.
10 In the past five years, some of the investigations
11 are ongoing. A few of them have been what we call
12 administratively closed. That means that we are not
13 finding that discrimination occurred but an
14 individual can still go to court. The reason that
15 might happen is because an individual saying, I
16 experienced discrimination and the housing provider
17 is showing a fair amount of documentation that there
18 were alternative reasons that a person was turned
19 away. And so, we administratively close that case.
20 That doesn't mean no discrimination occurred. It
21 means we cannot say that it's more likely or not that
22 discrimination occurred.

23 I'll close by just talking about two cases
24 because I think they illustrate what we see at CCHR.
25 One was in 2019 based on national origin when an

2 applicant who was perceived to not be from the United
3 States was asked their citizenship status. They were
4 denied housing. That was a case where we found that
5 it was more likely than not that discrimination was
6 occurring. We found in favor of that individual and
7 they received damages and there were civil penalties
8 paid as well to New York City.

9 The second case, is a more recent one, brought by
10 an African American couple seeking to buy a co-op.
11 They understood that there were no other Black people
12 living in the building and were not on the board and
13 believe that they were uhm, not offered the apartment
14 in the end because of their race. An investigation
15 in that case demonstrated that ultimately the buyer
16 was selected because they could pay all cash. That's
17 a different problem than the one we're talking about
18 but I think that's a really important piece of this
19 picture. Financial salients, which is a challenge
20 for many New Yorkers is a piece of the picture.

21 In that case, the records all showed that the
22 individuals had actually falsified financial
23 information and where they have lived before and we
24 closed out that case because we do not think it was

2 more likely or not that discrimination occurred again
3 based on the totality of the circumstances.

4 CHAIRPERSON SANCHEZ: Thank you and could you
5 give us a numeric breakdown of you said 500 housing
6 cases? About 10 percent, so 50 were related to co-
7 ops and condos. Can you give us a breakdown of how
8 each of those 50 were handled?

9 JOANN KAMUF WARD: I can give that to you. I
10 don't have the determinations for all 50 today but
11 I'm happy to circle back with that information. I
12 have only the very few handful of co-op sales, which
13 I've already mentioned uhm but we can share
14 information for the ones that are closed of what the
15 resolution for those was.

16 CHAIRPERSON SANCHEZ: And so, the handful that
17 are related to co-op sales, it's like less than ten?

18 JOANN KAMUF WARD: Yeah, in the past five years,
19 yes.

20 CHAIRPERSON SANCHEZ: Okay and you said there are
21 other avenues that New Yorkers may pursue. Do you
22 have a sense of housing discrimination case numbers?
23 Like how many are being routed to CCHR? How many are
24 going to courts? How many are going to the state?

2 JOANN KAMUF WARD: I will say something that is
3 really a pure guess. Uhm, which is that based on the
4 report that discrimination is occurring, that courts
5 are seeing a higher number than CCHR but I don't have
6 the data and we don't have the ability to have
7 insight into how many co-op cases are taken to courts
8 or to the state division.

9 CHAIRPERSON SANCHEZ: Great, thank you. Can you
10 walk us through the complaint process in the Human
11 Rights Commission? What are challenges to proving
12 discrimination in co-op and condo denials? Yeah in
13 co-op and condo sales denials?

14 JOANN KAMUF WARD: Got it, yes, okay. So, uhm
15 the majority of cases that come to CCHR and that are
16 filed by CCHR because members of the public contact
17 us and they say they think they've experienced
18 discrimination. So, when someone contacts us and it
19 sounds like they have a claim that is within our
20 jurisdiction, uhm they meet with somebody to do
21 intake. If there's allegations of taken is true,
22 demonstrate the likelihood that discrimination
23 occurred. The most common path historically has been
24 that CCHR files a formal complaint laying out those
25 allegations and the respondent has 30 days to provide

2 an answer, just like in court proceedings. So, for
3 every allegation, the respondent is saying, "we deny
4 this. This is what happened." Often there's a
5 position statement along with that, so it's like a
6 formal legal proceeding. We have mechanisms at the
7 Commission to do what we call pre-complaint
8 intervention, which is to kind of uhm, if
9 discrimination happened in very recent time, and it's
10 something we can remedy, this happens most commonly
11 in SOI and disability discrimination cases. We will
12 reach out directly to the respondent without filing a
13 claim, a formal complaint and try to remedy the
14 active discrimination that occurred. So, that's the
15 most common process. Then we investigate the case
16 and our attorney's do the investigations to determine
17 the final outcome. We also have a smaller number of
18 cases that are filed by attorney's and then we pick
19 up the complaint and we launch the investigation
20 based on those allegations, which have the same
21 answer and response formula as our other cases, and
22 then the Commission can also initiate its own cases.
23 That's really a handful but I will say thanks to
24 Council and the City of Yes, we will be increasing
25

2 our Law Enforcement Bureau capacity to be able to do
3 more of the Commission initiated investigations.

4 So, I think the second part of your question was
5 challenges improving co-op discrimination. I think
6 several have already been alluded to. Like all cases
7 that come to CCHR, it's very fact specific. So, we
8 can have a case where there is an individual
9 shareholder plus the co-op board, plus a broker,
10 right? And we have to investigate the actions by all
11 of those actors and that can be time consuming. We
12 talk to everybody. We take the whole lay of the
13 land. We don't represent individuals. We represent
14 New York City, so we are a neutral investigator in
15 those interactions. So, I think one complexity in
16 this area is just the number of actors.

17 A second piece, which is unlike other types of
18 housing, is what was already flagged as the financial
19 obligations of the cooperative board, right? It's a
20 housing provider and it's a business and so there are
21 different considerations as I mentioned then there
22 will be when they're looking at potentially a renter.
23 So, I think those are the two main factors we see
24 from an antidiscrimination perspective but I want to

2 turn it over to HPD to see if there's anything to
3 add.

4 LUCY JOFFE: We defer to CCHR on the process for
5 investigations.

6 CHAIRPERSON SANCHEZ: Thank you. In other
7 municipalities that have adopted reasons or timeline
8 provisions, there are several that require co-ops and
9 condo's to report to their commissions of human
10 rights. Would our Commission of Human Rights be
11 equipped to receive those kinds of complaints or any
12 other agency within the city?

13 JOANN KAMUF WARD: Uhm, so you're saying uhm that
14 the existing laws require cooperatives to report to
15 their Commission. I think I'll just highlight a
16 piece of what we talked about. I think we mentioned
17 West Chester County. I'm less familiar with Suffolk
18 County and the others. I think West Chester County
19 has several hundred co-ops. New York City magnifies
20 that by thousands, so I think we are prepared as CCHR
21 to handle all complaints of discrimination that come
22 to us. In fact, we are mandated. We have a right to
23 file agencies. We do not turn anyone away. I think
24 the same piece I'll go back to that was mentioned
25 previously, was that our staff are trained to

2 investigate and look for discrimination. If we are
3 looking at CCHR as a place to be analyzing
4 financials, analyzing disclosures, identifying co-op
5 bylaws and making good governance decisions, that's a
6 different profile than what our agency currently -
7 currently does and then I don't think there's an
8 agency that is currently set up to do that work but
9 again, defer also to other colleagues.

10 LUCY JOFFE: Yeah, we'll just add, not only as
11 New York City obviously, our housing market is so
12 much bigger but co-ops represent a much bigger share
13 of our market than in many other places. So, that
14 compounds the scale.

15 CHAIRPERSON SANCHEZ: Great, thank you. I'm
16 going to just ask a couple of rapid fire questions
17 and then I'm going to turn over to my colleagues.
18 Majority Leader, you will be first followed by
19 Dinowitz, Restler, and our Public Advocate.

20 So, you mentioned there's just a handful. Maybe
21 you know this off the top of your head but in the
22 last several years, has CCHR ever had written reasons
23 provided to a complainant to work with in your
24 investigation? Written reasons for a denial and a
25 sale?

2 JOANN KAMUF WARD: Yeah, so in the cases that we
3 have seen, again the small handful that we reviewed
4 for today's hearing, there are reasons provided. So,
5 I know that's not the landscape that we are talking
6 about in the bigger picture but it is you know I
7 think in one of the examples, I mentioned someone was
8 turned away and it's based on finances. I would say
9 financial reasons are the number one thing that we
10 see and whether that is accurate or not is what an
11 investigation would look into. But we haven't had
12 cases, I think to put a finer point on the answer to
13 your question, where there's just no reason given or
14 there's what we would call ghosting in the housing
15 context. That doesn't mean it doesn't happen.

16 CHAIRPERSON SANCHEZ: So, clarifying, are the
17 reasons that were provided, provided directly to the
18 buyer before the complaint was filed or provided to
19 the agency as a part of the complaint investigation
20 process?

21 JOANN KAMUF WARD: So, I actually think it's a
22 mix that some are told on their face, we're going
23 with another buyer who made an all cash purchase. If
24 someone thinks that sound suspect, they come to us
25 and they don't need documentation to come to us,

2 right? Our cases are investigated whether or not
3 there's documentation.

4 CHAIRPERSON SANCHEZ: Great, thank you. Uhm, do
5 you think that Intro. and this is for either agency,
6 do you believe that Intro. 407 would deter volunteers
7 from serving on co-op boards?

8 LUCY JOFFE: We have no reason to believe that
9 disclosure of reason alone, as my colleague
10 testified, sometimes that happens, it's part of the
11 process, is in and of itself a reason not to serve on
12 a board. Though that is not something that we
13 necessarily would be directly engaged in but we have
14 no reason to believe that it would.

15 CHAIRPERSON SANCHEZ: Okay, thank you. On Intro.
16 438, the bill requires disclosure as written it
17 requires disclosure of assets, liability, cash flow,
18 debt, operating expenses, capital improvements
19 underway or planned, reserved funds, and a most
20 recent budget. Do the agencies have perspective on
21 whether this is the right set of financial
22 information that should be disclosed or whether other
23 items should be included or excluded?

24 LUCY JOFFE: Uhm, so what we'll say is that we're
25 actually not - we can't say for sure that disclosure

2 by the co-op board to the perspective purchasers will
3 be instrumental in helping to root out
4 discrimination. It can be part of the process. We
5 uhm believe that there are - again, these are private
6 market transactions, so I think in our expertise
7 right, we think that we would want to hear from other
8 folks today on the impacts of what is most relevant
9 to them and one of the things that we're looking at
10 and we alluded to this in testimony and in some of
11 the discussion so far, we're always looking at when
12 we're adding new requirements in the housing market.
13 Is it what kind of administrative burden is it
14 creating and does that translate to additional costs
15 because the other we're often here talking about is
16 the cost of housing in our market and that doesn't
17 mean that we shouldn't pass important laws, including
18 ones that facilitate transparency and disclosure just
19 because they add cost but what we want to do when
20 we're thinking about it from a policy perspective is
21 weigh, is that additional administrative requirement
22 going to help us achieve our stated goal? And so,
23 here I think the question that you know we want to
24 hear from other folks as well is the extent to which
25 we think this additional administrative disclosure

2 requirements to the extent it's not already happening
3 in the market naturally between purchasers and co-op
4 boards.

5 CHAIRPERSON SANCHEZ: And I just want to clarify,
6 this particular bill is not about preventing buyer
7 discrimination chiefly, it's about making sure buyers
8 have good information as they make one of the biggest
9 financial decisions of their lives probably at the
10 point of purchase. And so, the question for HPD and
11 in the fair housing context is really about a risk or
12 no, no, it's not about risk, it's really about
13 whether these sets of information are feasible for
14 co-ops and condos to provide to prospective
15 purchasers and what is -

16 LUCY JOFFE: So, thank you for that clarification
17 and when HPD is involved in co-op transactions, those
18 processes are handled separately. So, I think we
19 would be looking to other folks here to testify
20 today, potentially with more insight into the exact
21 document that would be most helpful and how to sort
22 of think about that list of what normally happens in
23 the transactions and what might be missing that would
24 be important to add.

2 CHAIRPERSON SANCHEZ: Thank you. Uhm, does the
3 Commission have any evidence or have received any
4 complaints alleging that a prolonged approval
5 processes have been used as a way to discriminate?

6 JOANN KAMUF WARD: Yeah, so from the small
7 universe of cases, that has not been what we've seen
8 but again, I don't think our cases necessarily
9 reflect the market and so, we don't have any clarity
10 outside what has come to us but that has not been the
11 cases that have come to us.

12 CHAIRPERSON SANCHEZ: Thank you. I'm going to
13 turn over to colleagues and then I'm going to come
14 back and ask more questions on shared housing. So,
15 first up, Majority Leader Farias.

16 MAJORITY LEADER FARIAS: Thank you Chair. Just
17 for the Commission, a couple questions. Can you
18 speak to any challenges or even tactics used by co-op
19 boards for New Yorkers or clients that have
20 experienced including possible or legal
21 discrimination when looking to purchase a cooperative
22 apartment?

23 JOANN KAMUF WARD: So, I think the majority of
24 cases that we've seen, again a small number.
25 Sometimes the questions themselves and I talked about

2 the one case, around national origin, discrimination,
3 are discriminatory, right? So, it really doesn't
4 matter what is said later on in the process if on its
5 face you're asking particular questions of an
6 individual that are discriminatory.

7 So, I think they're like in rentals as well.
8 There's discrimination that is occurring because
9 people don't know or don't want to know what the
10 appropriate questions are and what the law requires
11 and what's the protected categories are but I think
12 beyond that, we have not seen any trend of particular
13 tactics. I think it's a confusing market place and
14 so, people feel that they have experienced
15 discrimination. Sometimes there are financial
16 documents that back up that it was a financial
17 decision and sometimes there are not.

18 I guess hearing that response, you know I am
19 thinking about how folks sometimes you know what
20 we're doing here is trying to use legislative action
21 to go back on the claims that we already have through
22 CCHR to be the remedy for illegal discrimination in
23 New York City particularly. I guess why you believe
24 that people, like members of the public or people
25 feel like they have been discriminated against are

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2 reluctant to bring claims to either to CCHR or do you
3 think people just don't know you folks exist since
4 the numbers that you stated earlier? You know what
5 actually what's the outreach? How do people know?
6 What are you doing for people that are looking to
7 purchase in New York City or even interested to
8 transition from their current housing to something
9 bigger? And to get you folks accessibility to you
10 folks.

11 JOANN KAMUF WARD: Yeah sure, so I think I am
12 going to say people know who we are but I'm going to
13 say that based on the data from our most recent kind
14 of annual reports and the outreach we're doing. So,
15 Fiscal Year 2025, we reached more New Yorkers than we
16 have in the history of the Commission.

17 MAJORITY LEADER FARIAS: What's the number?

18 JOANN KAMUF WARD: 153,000 - and three other
19 numbers. Over 150,000 New Yorkers and as I was
20 saying, part of our proactive education strategy has
21 always been to go in partnership with nonprofits to
22 do trainings on fair chance housing laws, fair
23 housing laws, disability protections, the areas where
24 we see the highest number of claims and I think
25 increasingly, the elephant in the room at this point

2 is that there's a huge amount of mistrust in
3 government. That's always been a challenge. Why do
4 people want to take extra time from their lives if
5 they've experienced something bad to go through a
6 litigation process? That's a personal choice and I
7 think a lot of people don't want to commit to that
8 action. So, people experience discrimination and
9 they move on with their lives.

10 Some people want to come to us and that's super
11 important and we are there for that but we are also
12 to your Chair question, trying to expand knowledge of
13 both CCHR and anti-discrimination protections.
14 People have a choice to go to court, come to us or go
15 to the state division and we work with lots of
16 agencies in the housing space but also in the
17 employment space to ensure that people know what
18 their rights are and then obviously there are power
19 dynamics in employment and in housing and in public
20 accommodations and so, intentionally over the past
21 four years, we have been really trying to target as I
22 said, real estate brokers and housing providers and
23 when the Fair Chance Law went into effect in January,
24 we were having individual conversations with members
25 of co-op boards and their attorney's because people

2 want to understand what their obligations are under
3 new laws. And so, we are always more than elated to
4 work with Council to get the word out in your
5 districts and we are more and more doing intakes and
6 outreach in community spaces to address the fact that
7 there's just a huge level of fear and mistrust.

8 MAJORITY LEADER FARIAS: Are you folks -

9 LUCY JOFFE: I'll also -

10 MAJORITY LEADER FARIAS: Sorry, go ahead.

11 LUCY JOFFE: I just wanted to add, we're often in
12 front of this Committee talking about our work in the
13 rental space and you know the demographics of people
14 who are looking to buy homes in New York City are
15 different and I'll turn it over to my colleague in a
16 moment just to talk a little bit about that but these
17 are folks who are generally already working with not
18 only real estate brokers but attorney's and uhm they
19 might see the financial piece of bringing their case
20 to court differently or pursuing other avenues. And
21 I think that's something that we've been thinking
22 about a little bit in this space. So, with that,
23 I'll turn it over to Neil.

24 NEIL REILLY: Sure, so according to our data from
25 the 2023 New York City Housing and Vacancy Survey,

2 citywide uhm half of residents in co-op units are
3 White, which is 19 percentage points higher than the
4 citywide distribution of the White universe.

5 CHAIRPERSON SANCHEZ: Can you repeat that?

6 NEIL REILLY: Yeah, so citywide, the citywide
7 demographics, 31 percent of New Yorkers are White, 50
8 percent of residents in co-ops citywide are White.

9 CHAIRPERSON SANCHEZ: Sorry, this is not my
10 question but if I may Majority Leader, you may have
11 your time back. How does that compare with ownership
12 outside of co-ops and condo's?

13 NEIL REILLY: I don't have the - I don't have
14 demographics for all homeowners handy but we can
15 certainly circle back on that front.

16 I would also say that the income for co-op
17 owners, so household income is at a median \$122,000 I
18 believe, which is around \$50,000 higher than the
19 citywide median.

20 MAJORITY LEADER FARIAS: Got it.

21 LUCY JOFFE: Corporate owners are not unique in
22 terms of uh the income from that perspective.
23 Homeowners generally we do see higher income across
24 the board.

2 MAJORITY LEADER FARIAS: Any other additional
3 before I ask a question? Okay.

4 LUCY JOFFE: Thanks for that.

5 MAJORITY LEADER FARIAS: I just want to make
6 sure. Uhm is there an average time we have that New
7 Yorkers or clients that you folks see at the
8 Commission must wait for a response on an application
9 or any data that shows us wait times?

10 JOANN KAMUF WARD: So, I think - I wouldn't want
11 to draw any conclusions from our very small data set
12 on the timelines. I think it differs by cooperative
13 and the small number of cases doesn't illustrate a
14 timeline.

15 MAJORITY LEADER FARIAS: Okay, so we wouldn't
16 know or we haven't looked, inquired into any response
17 times, wait times, client - ways clients are effected
18 financially by some of the delays or the lack of
19 response or unresponsiveness or effects to sellers at
20 all? HPD isn't looking at that? Commission isn't
21 looking at that.

22 LUCY JOFFE: So, to these are private market
23 transactions so the information isn't going to be
24 shared in a representative fashion. The Attorney
25 General's Office does largely regulate in this space.

2 The formation of co-ops, a lot of the processes. We
3 don't have data to my colleagues point on a broad
4 enough scale that we'd be able to say. What we would
5 speculate is there's probably very wide variation
6 both between types of co-ops, size, whether there's a
7 property manager involved or not.

8 So, you know I think that the anecdotal or small
9 sample that we have might not be illustrative. What
10 we can say is that delays in any part of the housing
11 market are of a top concern. They certainly can be
12 financially expensive for potential buyers, so we
13 certainly you know agree on that point.

14 NEIL REILLY: And just circling back to a point
15 that we were talking about earlier that the Chair was
16 asking, a clarifying question or follow up question
17 about the demographics of homeowners citywide. Uhm,
18 citywide homeownership is 46 percent White, which is
19 slightly less disproportionately White than in the
20 co-op universe.

21 MAJORITY LEADER FARIAS: Got it. The only last
22 comment I have I suppose that maybe supported with a
23 question, I - your responses at least from what we've
24 seen to me and both to the Chair so far, it makes me
25 feel like this package is necessary to make sure we

2 start aggregating some level of data or at least
3 setting some level of expectation. Even just hearing
4 like the AG's Office is the one that will go into
5 those matters. I mean, that's basically saying to us
6 and some members of the public that our agencies are
7 not talking to each other at the city and state level
8 to try to find other innovative ways to make life
9 better or make this processes better or you know
10 widen the gap or lessen the gap rather on some of
11 these demographic datapoints that we have. And even
12 with the outreach, you know I immediately think about
13 Housing Connect and the amount of uhm private - you
14 know public private interactions that happen with
15 purchases that happen. Are those coupled with
16 information from you folks? Are we going to -
17 there's just like plenty of spaces where I think we
18 could be doing more, 150,000 people out of 9 million
19 New Yorkers is but a fraction. I understand all of
20 them are going into cooperative sales etc., but we
21 could always be better as local governance, there's
22 plenty of folks that don't know who the Mayor is and
23 they're still living in our city. So, you know it's
24 important to think about it from that aspect.

2 We could always do more and your feedback is
3 really important. I did not mean to suggest uhm sort
4 of an absence of coordination or focus on that.
5 That's always something that we strive for and can at
6 times be difficult. The partnerships between CCHR
7 over the last couple of years, these teams sitting up
8 here directly actually work quite closely together
9 for the purposes that you're talking about. Same
10 thing with the Attorney General's Office, where
11 there's actually an HPD Allum and we really work hard
12 to identify the challenges here. It doesn't mean
13 that there's more -

14 MAJORITY LEADER FARIAS: I get that. Just like
15 in my district alone, the amount of vacant units that
16 are available amongst the many cooperatives that I
17 have, I have not heard from either of the agencies
18 over the four years that I have served and what could
19 we be doing to get those vacancies filled by someone
20 that could own that cooperative or someone that could
21 go into it and like, that is really what I'm talking
22 about here. Like there does not seem to be any
23 interest in going out into community in a real
24 effective way or reaching out to boards other than
25 checking a box to make sure they're within compliance

2 or they're nondiscriminatory but we have a real
3 crisis here that we're trying to solve and it's
4 coupled with boards you know really needing support
5 on how to properly manage within their legal system
6 and their management companies to get either these
7 vacancies filled or to make the repairs and
8 renovations or build the coffers that are needed to
9 make those repairs and renovations to fill those
10 vacancies. It's a cycle that many folks are unable
11 to get out of right now.

12 JOANN KAMUF WARD: I think the piece I will just
13 close with on that is that we are 100 percent excited
14 to work with you and to fill these gaps. I think we
15 are looking for ways to partner with other agencies
16 and also with Council Members and number one, with
17 community groups who really are the trusted partners
18 most often. I think there's some blueprints in the
19 SOI work right? We are not a voucher providing
20 agency but we are an anti-discrimination agency and
21 we see a lot of source of income cases. So, we have
22 developed partnerships to be in shelters. To be
23 training HRI, uhm, HRA rather you know housing
24 specialists in shelters so that people if they
25 experience discrimination, know where to turn and

2 they're trained on their rights before the
3 transaction happens. So, I hear you and have been
4 talking a lot with Chair Williams from our Committee
5 about how CCRH can have more permeable and stronger
6 connections with City Council members, so we look
7 forward to working with you on that.

8 MAJORITY LEADER FARIAS: Thank you folks. Thank
9 you Chair.

10 CHAIRPERSON SANCHEZ: Thank you Majority Leader.
11 Council Member Dinowitz.

12 COUNCIL MEMBER DINOWITZ: I know when I'm not
13 wanted.

14 CHAIRPERSON SANCHEZ: You have five seconds.
15 Recognizing Council Member Avilés.

16 COUNCIL MEMBER DINOWITZ: Okay, good morning -
17 uhm, good morning everyone. I want to uhm just
18 confirm what I heard in a testimony. You said in the
19 past five years, fewer than ten percent of your
20 complaints have been related to co-op sales. Is that
21 what was testified?

22 JOANN KAMUF WARD: Yeah, that was about housing,
23 which is the smaller slice of our complaints, yes,
24 correct.

2 COUNCIL MEMBER DINOWITZ: Okay, I'm sort of
3 coming from a perspective of like discrimination is
4 already illegal, right?

5 JOANN KAMUF WARD: Co-op discrimination is
6 illegal, yes.

7 COUNCIL MEMBER DINOWITZ: As it should be. And
8 you investigate those claims anytime they are brought
9 to you. You testified that sometimes you go to court
10 or the state agency. Do you know on average how many
11 over the past five years, about how many co-op
12 applications are submitted to co-ops?

13 JOANN KAMUF WARD: I do not have that
14 information, no.

15 COUNCIL MEMBER DINOWITZ: And so, you don't know
16 how many are rejected?

17 JOANN KAMUF WARD: No, we are an
18 antidiscrimination agency who people come to us if
19 they've experienced discrimination. We don't hold
20 any housing data beyond what is in our complaint
21 system.

22 LUCY JOFFE: These are private market
23 transactions. There is not an affirmative obligation
24 under state law for these to be reported to any

2 agency. What we can say is talk about the volume of
3 co-ops that exist.

4 NEIL REILLY: So, in 2024 for example, there are
5 just under 7,000 co-op sales.

6 COUNCIL MEMBER DINOWITZ: So, you do have
7 information. And then do you know how many?

8 LUCY JOFFE: On the sales, not on the number of
9 applications.

10 COUNCIL MEMBER DINOWITZ: Okay. I was actually a
11 little surprised to hear you testify that you don't
12 think; I'm speaking specifically about 407. That you
13 don't think that would increase administrative
14 burdens on board members. This is a bill that would
15 under penalty of perjury that someone has to sign a
16 statement that they have to write, like an essay
17 detailing every single reason for rejection under
18 penalty of perjury, with penalties up to \$25,000
19 that's due within five days and if they make a
20 mistake, if they forget something within those five
21 days, they can't go back and edit that statement.
22 That's all that they're able to use in court. Can
23 you talk more about how something like that does not
24 increase administrative burden on volunteers,
25 volunteer co-op or board members?

2 LUCY JOFFE: Thank you for that question. I
3 don't remember if the way the question was originally
4 framed was as administrative burden versus uh you
5 know as an additional challenge. As my colleague
6 testified, we are sometimes seeing on those limited
7 number of cases that come in that reasons are already
8 provided. I can't rule out that that's not a common
9 best practice already happening, when a rejection is
10 provided. I'm not aware that it would require you
11 know an essay but certainly the more extensive the
12 disclosure requirement, then sure the burden would
13 increase.

14 COUNCIL MEMBER DINOWITZ: Right and now you're
15 talking about in addition to that, legal fees
16 perhaps, perhaps you're talking about increased
17 insurance cost for co-ops to insulate themselves from
18 liability, which they're already - like it's already
19 illegal. Like they're already liable for
20 discrimination, which shouldn't be done. You're now
21 just adding and with this bill, it would be adding
22 again legal fees, other risks that would increase
23 administrative costs and those costs you know get
24 passed on to the shareholder, right? It's a
25 cooperative, they share in the costs. So, now you're

2 talking about a bill to significantly, potentially
3 significantly increase costs for people, for every
4 co-op shareholder in New York City for a problem that
5 is already addressed, I believe through testimony,
6 through legal means. Discrimination is already
7 illegal and the other thing you're talking about by
8 the way and we have to challenge this in co-ops.
9 Like I joke, you know volunteering from co-op board
10 is too much so I ran for City Council. Like the
11 politics here are easier.

12 Uhm, I mean you already have this problem with
13 getting volunteers, people to do this. Uhm, we end
14 up in a lot of co-ops in my district having a lot of
15 retired people, which is fantastic but not
16 necessarily representative of the entire make up and
17 demographic of the building because who has time,
18 typically people who aren't - who are retired. And
19 now you're adding additional time and now you're
20 adding risks to this. So, what do you think the
21 impact to the co-op community would be in New York
22 City and how would that effect a shareholders ability
23 to manage their own buildings?

24 LUCY JOFFE: So, I think actually what I
25 testified to was the fact that uhm, uh, what we need

2 to do when we think about passing new requirements is
3 weigh those requirements and the burden that it may
4 provide against the potential policy outcomes and
5 goals and that neither HPD nor CCHR actually is well
6 positioned to speak actually to the specifics of some
7 of the details in the legislation but that we were
8 looking forward to hearing from folks today who would
9 be testifying, who could fill in some of those
10 details. So, I think actually the exchange might
11 have been just a bit different.

12 COUNCIL MEMBER DINOWITZ: Yeah, and then you know
13 I would imagine if I were on the co-op board, which
14 I'm not thankfully. Thank goodness. Uhm, that the
15 risk is so high, if I do join the board or the
16 Administrative burden, so I may farm out these tasks
17 to a managing company or another company thus
18 increasing costs. Do you think it would make more
19 sense to say you know one, we haven't gotten a number
20 of these complaints. Maybe there are some in court,
21 maybe there are a lot in court. We don't know.
22 Maybe there are a lot in the state and to Majority
23 Leader Farias's point, maybe we, the city, one need
24 to be doing a better job of communicating with our
25 partner agencies in the courts, in the states, and

2 would it be more prudent to just get more data, get
3 better data before we increase what would invariably
4 increase the risk for individual board members and
5 increase the cost for shareholders to get that data,
6 to ensure we're doing the work to work with other
7 agencies. Would that make more sense?

8 LUCY JOFFE: So, Council Member, we collectively
9 are regularly here talking about where we live. The
10 challenge of the discrimination in New York City.
11 The fact that we believe it does - it is occurring to
12 the extent to which that it is one of our six goals
13 within where we live rooting out discrimination in
14 the private market. You know I think that we are
15 uhm, we think it is a balance between uhm evaluating
16 administrative burden and uh ensuring that our laws
17 can be successfully administered. And especially
18 when you're talking about something as pernicious and
19 the various as discrimination. So, I would say the
20 same thing I said before, which we believe this is an
21 important balance, something that has to be
22 considered deeply and that that's important that my
23 understanding is there are a lot of people here to
24 testify today and you know I think there will be more

2 information shared on the details that could help
3 assess that balance.

4 COUNCIL MEMBER DINOWITZ: Alright, yeah, I would
5 just repeat, I think before we get into the stage of
6 requiring volunteers to put themselves at risk for
7 \$25,000 under penalty of perjury, and increase costs
8 for shareholders, I think we need a better
9 understanding of the data. And we as a city, as a
10 government, need to be working better with our
11 partner agencies in the courts and in the state to
12 make sure we are rooting out discrimination, which is
13 already illegal. Using the legal means, you know
14 already available to us with better data but without
15 increasing costs and without increasing risks to our
16 shareholders and our board members. And I want to
17 thank the Chair for the additional time. Thank you.

18 CHAIRPERSON SANCHEZ: Thank you Council Member
19 Dinowitz and we'll certainly talk more in conference
20 but I just wanted to correct two quick things you
21 said five days for the response required in five
22 days. It's 45 or it should be 45 and under penalty
23 of perjury, it's yeah, it's not written to - the bill
24 is not written to single out board members. It's
25 written to single out the corporation.

2 After it's made it's decision. So, we'll talk
3 more in conference but the intent I believe and the
4 sponsor is here, so we can turn to him next but I
5 believe the intent is to provide a reasonable
6 timeline. Yeah, thank you. Uh Public Advocate.

7 PUBLIC ADVOCATE WILLIAMS: Thank you very much.
8 Thank you. I'm very much looking forward to this
9 conversation because I want to get to a real
10 solution. One, you know finances, I think you
11 mentioned someone was Ex'd out because somebody had
12 an all cash buyer. I mean finances have been a
13 reason that we've seen some of this segregated in
14 housing but that's not what we're trying to get at
15 here today. We're trying to look at people who have
16 the same kind of applications. And also, I just want
17 to mention, I mean there are laws that already exist,
18 so I agree with my colleague. Sometimes those laws
19 aren't as enforceable and so, we deal with that when
20 we're dealing with the abuses of stop, question and
21 frisk on the Bloomberg bias based policing was
22 already illegal, it just wasn't enforceable. So, the
23 bill that we made just made it enforceable. I think
24 what we're trying to do here is make some of the
25 things that exist more enforceable.

2 So, first, I just wanted to understand, it just
3 sounds like the entity that has the most information
4 around this regulation is the AG. Is there any other
5 city or state entities that have this information?

6 LUCY JOFFE: Well, the Attorney General's Office
7 regulates co-ops and plays a larger role. That's a
8 state law mandate. HPD collects as much information
9 as we can through the housing - New York City Housing
10 and Vacancy Survey through our own processes but
11 because they are private market transactions, there
12 aren't currently affirmative requirements on co-ops
13 to disclose things like applications.

14 PUBLIC ADVOCATE WILLIAMS: And for HRC, another
15 number you cited, I think was ten in five years, just
16 anecdotally, uhm do you believe that there's more
17 that people haven't filed with your agency for any
18 number of reasons?

19 JOANN KAMUF WARD: My educated guess is that
20 there are more. I mean we read the same news reports
21 and statements from nonprofits who are identifying
22 that discrimination is occurring. Just in the cases
23 that we have seen, it has not been as I said, the
24 elongated timeline or failure to give a reason. That
25 does not mean those things are not happening.

2 PUBLIC ADVOCATE WILLIAMS: Okay, so just so I
3 understand, does the Admin believe that there are
4 discriminatory practices that are happening, whether
5 explicitly or implicitly when it come to co-ops?

6 JOANN KAMUF WARD: I think the reporting that
7 we've seen signals that it is a problem and I think
8 that's why we are here to talk about what our pathway
9 is to address this type of discrimination and as my
10 colleague from HPD was saying, what is the balance
11 between what is required to be proffered up by
12 multiple players? Again, there's the board,
13 sometimes there's a management company. Sometimes
14 there's a real estate broker and how do we best find
15 what is - one can be produced to show historic or
16 current decision making and then how does that
17 translate into a regulatory framework that is helpful
18 to applicants. And I think we will, I think we've
19 said this already but just to underscore, we have
20 lots of cases that come to us with lots of paper and
21 we have cases that come to us with word of mouth and
22 we can address both of those. I think what we are
23 interested in hearing from you all and the people
24 that will testify after the Admin is what are the
25 things they're experiencing and seeing and does a

2 statement at the time you are rejected, address that?

3 Is there some other pathway as you have identified?

4 We only change things by changing them, right? So,

5 what are the tools in the toolbox that maybe find the

6 balance between what we're hearing in terms of the

7 co-op boards but also our fundamental mandate is

8 addressing discrimination and so, that will always be

9 what we are trying to address.

10 PUBLIC ADVOCATE WILLIAMS: And the bill I have is

11 for ten units and up. Do you believe there may be

12 reason to include ten units and below?

13 JOANN KAMUF WARD: Yeah, so again, this is not

14 really getting to Councilman Dinowitz's questions

15 about the Administrative burden from the anti-

16 discrimination agency perspective. People understand

17 their rights and obligations more clearly when there

18 are less carveouts. So, we have seen in the source

19 of income space, there used to be six units or more

20 were exempt. That was changed to be where there's

21 two units or less, which is what the Human Rights Law

22 says for most of the antidiscrimination protections.

23 So, that's from an education and outreach

24 perspective. That is not about the Administrative

25 burdens, which is what we want to hear from the co-op

2 boards. I don't live in a co-op. I'm not part of a
3 co-op board and folks in this room and who are
4 testifying are going to have more insight into that.
5 But HPD to add?

6 LUCY JOFFE: We do frequently see uhm, carveouts
7 of different smaller building sizes for various
8 requirements. It is always a tricky balance. There
9 are absolutely economies of scale for larger
10 buildings. Larger buildings are more likely though
11 not exclusively to have already have a management
12 company but we have no reason to believe that the
13 behavior of a co-op board is meaningfully different
14 based on the size. So, that is something uh as like
15 my colleague said, I think more insight from other
16 folks involved might be helpful in sort of weighing
17 that balance.

18 PUBLIC ADVOCATE WILLIAMS: Madam Chair, I have
19 two more questions. May I?

20 CHAIRPERSON SANCHEZ: Please.

21 PUBLIC ADVOCATE WILLIAMS: Thank you. Uhm, also
22 to my colleagues point, there is - I mean I can see
23 some burdens and so, we're trying to figure out how
24 we lessen those burdens. And so, my questions less
25 about kind of - I don't want to - in the five days I

2 can easily say it shouldn't be five days for my bill.
3 I'm trying to figure out are there tweaks that you
4 can see that will make it based on the information
5 that you have less burdensome? Like, not five days.
6 Probably not two years. So, is there - I'm trying to
7 find what the tweaks are that we can make so that the
8 information we're trying to get is I won't say won't
9 add any burden at all but won't be as burdensome as
10 people are receiving them right now.

11 LUCY JOFFE: Yeah, thank you for that question
12 and we talked about this coming into today's hearing
13 and agree with sort of that balance. Like, there is
14 a burden that is acceptable to add when we're talking
15 about something as serious as rooting out
16 discrimination and how do we sort of assess that?

17 I don't think that we have been able ourselves to
18 identify that there's an exact right time period but
19 as we said, do expect that there are other folks you
20 know here testifying or other people who might be
21 more involved in these private market transactions,
22 who might be able to give more specifics but I think
23 on your general points, we do agree that that's the
24 balance we're trying to weigh.

2 PUBLIC ADVOCATE WILLIAMS: Yeah, I think adding
3 one or two sentences of why someone is discriminated
4 in a reasonable amount of time should not add the
5 type of burden that people are concerned about. At
6 least for my bill. I haven't looked at other bills.
7 And my last question is, does HPD have the resources
8 needed to really go after these types of
9 discriminatory issues across housing in general?

10 JOANN KAMUF WARD: Yeah, so I think this is where
11 kind of the rubber hits the road a little bit with
12 these bills and why there's multiple agencies
13 testifying. Uhm 100 percent, we have the resources
14 and the will to address discrimination in housing.
15 We have been staffing up under this Commissioner. We
16 have an incoming Administration who is committed to
17 greater funding for CCHR and we look forward to those
18 conversations and what that might mean for our
19 agency. I think where CCHR is potentially not as
20 well positioned as I already discussed was to the
21 extent we're looking at co-op bylaws and evaluating
22 are these the right provisions of co-op bylaws? Do
23 these make sense?

24 If we're looking at the finances, those are not
25 things that are antidiscrimination investigators and

2 attorney's are prepared to do. But in terms of
3 rooting out the problem generally and the
4 discrimination piece, 100 percent. And I think I
5 just wanted -

6 PUBLIC ADVOCATE WILLIAMS: Just to be clear, so
7 you think you have all the resources you need today?

8 JOANN KAMUF WARD: I think we are taking a huge
9 advantage of our resources and can always do more
10 with more and you know we're already hearing ideas
11 for ways that this can better be addressed by the
12 city and some of that is outside of the traditional
13 ways we've worked and so, we'd have to explore what
14 that looks like but we are and have been staffing up
15 in order to meet the myriad challenges of this
16 moment.

17 PUBLIC ADVOCATE WILLIAMS: Thank you. I'm super
18 excited about the incoming Administration.

19 JOANN KAMUF WARD: And I did - I wanted to just
20 say one solution oriented thing maybe. Uhm, uhm,
21 based on the conversation that we have been having
22 about these bills and what they entail, I think there
23 is I think a benefit to record keeping of decision
24 making. I think the question is what is the burden
25 of telling every applicant the myriad reasons that

2 something happened and what the historical you know
3 denials and applications were versus a more
4 centralized record keeping requirement. Board should
5 already have their meeting minutes, so if those
6 things are available and there's speaking on the
7 discrimination piece a potential investigation can
8 lead to sharing of those documents. That's something
9 that could potentially alleviate some of the burden
10 of individualized communication for every applicant
11 while still getting at some of the big picture
12 concerns.

13 PUBLIC ADVOCATE WILLIAMS: Thank you. Thank you
14 Madam Chair.

15 CHAIRPERSON SANCHEZ: Thank you Public Advocate.
16 Uhm, I want to correct the record that my colleague
17 was correct, that the bill as written does require a
18 written response within five business days. And my
19 confusion is that other municipalities require it
20 within 45 to 60 days. So, that's my neighbor.
21 Alright, Council Member Restler.

22 COUNCIL MEMBER RESTLER: Thank you Chair Sanchez,
23 I know that you are walking distance from Council
24 Member Dinowitz's district. Uhm, so you guys are
25 thick as thieves. I really appreciate the questions

2 from my colleagues this morning and the presence of
3 you all here today.

4 I just would like to go back to understand the
5 data a little bit better on the complaints that you
6 all do receive and I know the Chair mentioned this
7 briefly, but you said employment is the number one
8 issue. How many housing related discrimination
9 complaints do you all get on an annual basis? Could
10 you give us the last year or two?

11 JOANN KAMUF WARD: Uh so last year it's uhm in
12 the housing space upwards of 300 formal complaints.
13 Uhm, but there's also pre-complaint interventions,
14 which are primarily in the housing space and that's
15 another approximately 300 per year.

16 COUNCIL MEMBER RESTLER: Okay, so about 600
17 related potential housing discrimination issues and
18 can you break down for us between rental market, uh,
19 uh, co-ops and condos, vouchers, give us a little bit
20 of context.

21 JOANN KAMUF WARD: Uhm, I can do that. We
22 actually don't track the data in our system by the
23 type of housing but as I was saying earlier, the
24 number one and two types of discrimination we see in
25 housing are disability and SOI. Some years, it's

2 slightly more SOI and some years it's slightly more
3 disability discrimination.

4 COUNCIL MEMBER RESTLER: Would you put numbers on
5 the SOI?

6 JOANN KAMUF WARD: Yes, I just - yes, I'm going
7 to look that up for you.

8 COUNCIL MEMBER RESTLER: I appreciate it. I know
9 she's going to tell me I don't have the annual report
10 but I did look up on the MMR and I didn't see
11 anything useful, so.

12 JOANN KAMUF WARD: What? That sounds -

13 COUNCIL MEMBER RESTLER: Nothing useful in the
14 MMR, just to be clear.

15 JOANN KAMUF WARD: Oh okay, MMR. Okay, so
16 claims, that's inquiries. We get many, many more
17 inquiries then we have claims, just in case you're
18 wondering about that. Total claims in housing, yes,
19 so disability uhm last year, claims filed, 46 related
20 to disability. 65 related to source of income. So,
21 those can break down to be rental units or co-ops. I
22 don't have the break down by those two right now.

23 COUNCIL MEMBER RESTLER: I don't think source of
24 income discrimination is going to be for co-ops.

2 JOANN KAMUF WARD: No, it is because they also
3 rent.

4 COUNCIL MEMBER RESTLER: Co-ops that are rentals?

5 JOANN KAMUF WARD: Yes, not in sales but breaking
6 down within co-ops the - we actually see more cases
7 related to rentals then we do regarding sales.

8 Uhm, and then the other numbers uhm, retaliation
9 is one that's worth noting.

10 COUNCIL MEMBER RESTLER: Beyond no information
11 that breaks down housing typology like co-ops and
12 condos ownership you know purchasers verse rentals?

13 JOANN KAMUF WARD: So, I don't.

14 COUNCIL MEMBER RESTLER: Do you have any data at
15 all that could give us indication of how many filed
16 complaints last year or a pre-complaint process,
17 engagement in a pre-complaint process relating to co-
18 ops and condos?

19 JOANN KAMUF WARD: Yeah, relating to co-ops, it's
20 about ten percent of the total universe of housing
21 cases.

22 COUNCIL MEMBER RESTLER: So, 60-ish annually is
23 what you're anticipating?

24 JOANN KAMUF WARD: That's the number historically
25 uhm but so yes, that's- that's -

2 COUNCIL MEMBER RESTLER: 30 to 60, somewhere in
3 that range? I'm not sure if it's for the actual
4 complaints or the -

5 JOANN KAMUF WARD: And then a much smaller
6 numbers, it's like 3 to 8 per year are about sales,
7 so.

8 COUNCIL MEMBER RESTLER: 3 to 8 per year about
9 sales. So, look the reality here is when we have
10 very little data, which it sounds like we do at least
11 from CCHR. We could probably do a broader analysis
12 of what's filed with the courts and we could get the
13 AT's office in here to share their insights as well.
14 But at least, on the CCHR, when we see very little
15 data, it could - we could all look at this and see
16 different explanations. I think that one of my
17 colleagues would probably say that there isn't
18 discrimination happening and that therefore, we don't
19 need to do anything else.

20 Uhm, I feel differently and uhm, you know to me
21 it's the opacity of the process where the applicant
22 doesn't have any indication for they've been
23 rejected. And so, they don't know if they have -
24 they don't have any information to take a case
25 forward to CCHR or in court because they don't have

2 any information at all. Do you think that's the
3 primary - just providing your expertise, I realize
4 that you're speculating but do you think that that's
5 the primary driver for why we see so few complaints
6 in this area?

7 JOANN KAMUF WARD: I really think it's - there's
8 more complicated landscape for cases in this area.
9 So, I think generally, it's a burden to file
10 discrimination claims. So, I think that is something
11 we cannot discount. Lots of people experience 10 to
12 15 examples of ghosting the source of income
13 situation before they come to us because at a certain
14 point, there's a breaking point, right? So, there's
15 people who do not want to report discrimination.
16 They want to get housing and they want to move on.
17 So, that is one piece. Oh now, I am being dinged.

18 Uhm, there is one piece. I do think that and I
19 said for the very small number of cases we have, we
20 have seen reason to profert, so I don't know that
21 providing a reason is going to address what we
22 believe is in some instances discrimination. The
23 reason is often tied to finances, right? So, as I
24 said, we've had examples where someone, a subsequent
25 applicant gives an all cash offer based on what the

2 co-op is looking for. That is the reason that is
3 given. Investigating whether that is the true reason
4 is the next step of an investigation but no one - if
5 you came to CCHR and you said, I lost out on this co-
6 op and I believe it's because of my protected
7 category; that's a case we can look into based on
8 your word. So, we don't need the documents. That's
9 not to say documents cannot be helpful in an
10 investigation. I just - they're not necessary and
11 they don't necessarily improve the investigation
12 because it's all about what is written down.

13 COUNCIL MEMBER RESTLER: If I was experiencing
14 discrimination in the application process but had no
15 information to back up - if I didn't have data or
16 proof based on the opacity of the process from the
17 co-op board what had occurred, what would I be going
18 to you with? Like, what would I be bringing forward
19 to say if I don't have some explanation from the co-
20 op for why they've rejected us and our application?

21 I mean, I think anyone who has been through a co-
22 op application process knows it is exceedingly
23 painful. It can take weeks, it can take months, it
24 can take years. It's, you know every co-op is
25 different. Some co-ops are exceedingly,

2 exceptionally well run, many are not and sometimes
3 and it's just, it can be painstaking and confusing
4 and confounding to go through that process. I don't
5 know if you've been through it and I apologize if you
6 have but I say that as a co-op member, as a resident
7 of a co-op and who have wonderful neighbors. I'm
8 just being a jerk. So, you go through this opaque
9 process. You get no information. How would you go
10 to CCHR or to court if you got nothing to show for
11 why you've been rejected with your application?

12 JOANN KAMUF WARD: I'm not defending any
13 position. That is the majority of cases of
14 discrimination. In employment, we interviewed you,
15 we're going with another candidate. Like, a lot of
16 times there is no reason given and there is not
17 documentation. That doesn't mean discrimination
18 doesn't occur and I think what I was saying to Public
19 Advocate Williams, is I do think there is a role that
20 recordkeeping can play in identifying in particular,
21 are there patterns. What's been going on here? Have
22 these standards been applied equally to people in the
23 past year, five years, ten years, whatever the right
24 timeframe is and there's board turnover and all types
25 of things? Finances change that might influence why

2 decisions are different for each candidate. I think
3 there's like a systems thinking that could address
4 some of the discrimination that is experienced at the
5 individual level but I think again, just trying to
6 identify documents alone and writing down the reasons
7 you rejected someone does not mean discrimination is
8 not occurring and I think - I just - I don't want to
9 like set up the premise that if people are writing
10 something down and providing it to you, that means
11 discrimination is not occurring because then we put
12 ourselves out of business, which would be awesome.

13 COUNCIL MEMBER RESTLER: I don't mean to imply as
14 much. I mean to say that when you have real data and
15 information on why a decision was made, you can say
16 this has merit or this does not have merit and I'm
17 going to pursue action accordingly. When I have no
18 information, it's a lot harder to know how to
19 proceed. So, look, I've gone over and the Chair has
20 been very gracious and I really appreciate it. I'll
21 just say this in conclusion, uh making a decision for
22 a co-op board of when to accept an applicant is a
23 momentous decision. If that person who is buying
24 into your co-op, if they fail to contribute the
25 monthly maintenance, if they fail to be a good

2 neighbor, if they fail to take responsibility for
3 their unit, it causes enormous hardship for everybody
4 else. And so, these are painstaking and meticulous
5 decisions that a co-op board has to make to the best
6 of their ability as volunteers and we need to make
7 sure that those decisions are being made on the
8 merits and we're fortunate that you know Chair
9 Sanchez and Public Advocate Williams, who formerly
10 Chaired this very Committee, are two of the more
11 thoughtful legislators in the City Council and
12 whatever ex-officio role you have. And I know want
13 to identify legislative solutions that work for
14 everybody here and are trying to be thoughtful about
15 how to make this work. Uhm, but the status quo to me
16 is unacceptable and so we need to do more to ensure
17 that there's accountability and that we are
18 proactively preventing discrimination as much as we
19 realistically can, while working through operational
20 processes that are fair and reasonable for the
21 parties involved.

22 So, with that, I will thank you for the extra
23 time.

24 CHAIRPERSON SANCHEZ: Thank you Council Member
25 Restler. Just a quick clarifying question and then I

2 want to - or follow up question and want to turn it
3 over to Council Member Avilés.

4 You mentioned 10 to 15 incidences of ghosting
5 before they have a typical complainant brings a case
6 to HCR. Uhm, I just want to from your perspective,
7 given some of what we've covered today, do you
8 believe that because CCHR receives few co-op and
9 condo sale discrimination purchase complaints that
10 discrimination is rare in light of that other
11 statistic that you shared.

12 JOANN KAMUF WARD: So, that was specifically
13 talking about source of income in the rental market
14 and it was an illustrative example. It's not the
15 kind of status quo or the typical case. It was just
16 meant to illustrate that there is a tipping point for
17 most people when deciding whether or not they want to
18 pursue an action on discrimination.

19 We definitely have people who are turned away
20 once for a voucher and come to us and we work very
21 hard with unlock NYC and other nonprofits to document
22 and address that. So, I think our data does not
23 illustrate necessarily the landscape of everything
24 that is happening. It demonstrates who is willing to
25 come forward to report discrimination.

2 CHAIRPERSON SANCHEZ: Thank you. Council Member
3 Avilés.

4 COUNCIL MEMBER AVILÉS: Yes, thank you so much.
5 Apologies if this was asked earlier but uhm, onto the
6 guides of - uhm, I really hear your point, that
7 systems are needed across probably multiple agencies
8 to begin to earnestly address this problem that we're
9 seeing.

10 Uhm, could you - could you tell me uhm, for your
11 agency in particular, what kind of funds would you
12 need and staffing in order to begin to address what
13 we hear and see for many people. I have also been on
14 the other side of the table, filling out these owner
15 applications. Uhm, what would you need to begin to
16 address this problem from your perspective.

17 JOANN KAMUF WARD: So, I will say that I think
18 we've started to address this problem from the perch
19 of CCHR and I was saying earlier Council Member
20 Avilés, just about the focus that we have put on
21 education outreach and training in particular, people
22 in the real estate space. I'm not talking about co-
23 op boards but really brokers who are working with
24 many housing providers. So, we do hundreds of
25 trainings of housing protections every year and

2 that's an area where we have worked with Council and
3 really want to deepen partnerships. We already work
4 with many community groups to do that. I think based
5 on these particular bills, CCHR is in a good position
6 to handle complaints of discrimination. If we are
7 looking at the entire set of things that are required
8 in some of these bills, which are did you comply with
9 timelines? Did you produce proper financial
10 statements? Did what you were asking, comply with
11 our co-op bylaws? That's a different portfolio then
12 what currently exists at our agency, which is largely
13 in the Law Enforcement Bureau Civil Rights Attorneys
14 who are doing investigations of discrimination and
15 don't have the kind of regulatory expertise or
16 framework for understanding co-ops. So, that would
17 be something that would require building out what
18 CCHR can do and that's not to say there aren't other
19 folks in the city who have similar expertise and I
20 think there is the opportunity for information
21 sharing but it's you know, it's finding the places
22 where there is willingness to cooperate and then
23 really, some of it is time. So, I think that's what
24 I'll say about HPD. I don't know if you have
25 anything to add on that.

2 COUNCIL MEMBER AVILÉS: So, just to make sure I'm
3 hearing you. So, you feel currently that you have
4 the resources that you need in the current context?
5 If these bills were to pass, you're saying then you
6 need to build out a part of the agency to be able to
7 adequately address the requirements in the
8 legislation?

9 JOANN KAMUF WARD: So, I will slightly adjust my
10 answer to say that I think we have - we do have the
11 resources to address discrimination. I think we have
12 said countless times, this is my first time or my
13 first time before this Committee, with the Committee
14 on Civil and Human Rights. We can do more with more.
15 Uhm, that is not a decision that we are part of
16 making but as I also alluded to, the incoming
17 administration has made commitments to fully fund not
18 just CCHR but a number of agencies working in the
19 antidiscrimination, worker justice, housing justice
20 spaces and so that provides an opportunity for us to
21 talk about what are we doing in this space but really
22 in the broader framework of discrimination. We've
23 already started to adjust our intakes to be in
24 communities in light of things that are happening at
25 the national level and to make sure that people can

2 still come to us and we are constantly adjusting and
3 refining our enforcement practices. We actually
4 earlier this year, have reconstituted leadership
5 roles in our Law Enforcement Bureau so that we can
6 better meet the needs of New Yorkers and as a result,
7 our pre-complaint interventions are growing and we've
8 taken the time down to resolve those to 25 days from
9 a much higher number several years ago. So, we are
10 constantly evolving and using our resources to do the
11 most we can to tackle discrimination.

12 LUCY JOFFE: Council Member, I'll add, there was
13 a little discussion about this earlier but we can't
14 say uhm for sure, predict the future and how people
15 would respond to changes in legislation but there is
16 reason to believe that many of the folks in the co-op
17 buying space utilize some of the other channels for
18 enforcing their rights, including through the courts
19 and that you know our understanding of these bills is
20 that this also provides or would bolster that path,
21 and that it's not just about sort of running through
22 one of the agencies.

23 You know I also, there's been some discussion
24 about the Attorney General's role and these are
25 serious obligations and requirements that the

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2 Attorney Generals Office already puts on co-op board
3 members. So, there are, they regulate the annual
4 meetings, the taking of notes, the keeping of
5 budgets, the potential requirement for an election
6 inspector, the ability of shareholders to examine or
7 review minutes of shareholder meetings, records of
8 shareholders and in the annual balance sheet, profit
9 and loss statements. Uhm, removal of a director for
10 cause or not for cause. There's annual requirements.
11 So, it is a very regulated space in which co-op board
12 members have serious obligations here and I wanted to
13 make sure that was added.

14 COUNCIL MEMBER AVILÉS: Yeah, thank you for that.
15 Clearly, there's a lot of regulation. What is not
16 clear is if there's actual oversight and
17 accountability with those regulations and who is
18 engaging in that. So, thank you.

19 CHAIRPERSON SANCHEZ: Thank you Council Member
20 Avilés. Moving to shared housing for a beating, then
21 we're going to wrap unless colleagues have other
22 questions. Yup, we'll go to public testimony
23 afterwards.

24 So, regarding Intro. 1475, do you know or do we
25 know what percentage of New York's occupied dwelling

2 units, apartments are shared by multiple families or
3 households? Whether these leases are shared or a
4 primary tenant sublets to another?

5 MICHAEL SANDLER: Yeah, so landlords are not
6 required to report lease information to HPD, so we
7 don't have granular data about the makeup of
8 individual households but we can look at survey data
9 to give some approximation of this number. According
10 to the 2023 HVS, nearly 250,000 occupied housing
11 units in New York City include a household with at
12 least one non-family member and that does not include
13 non-married partnerships.

14 So, that is some approximation of the number of
15 these and you know roommates have always existed in
16 New York and some unrelated New Yorkers will continue
17 to have roommates. You know families are diverse in
18 New York City but we do know that some roommates live
19 together out of economic necessity, not choice.

20 CHAIRPERSON SANCHEZ: Great, thank you. Can you
21 repeat that number again?

22 MICHAEL SANDLER: 250,000 occupied housing units,
23 include a household with at least one nonfamily
24 member and that's seven percent of all occupied
25 units.

2 CHAIRPERSON SANCHEZ: Thank you. Uhm, you know
3 voicing some of the concerns from my colleagues and
4 myself included, I would say that in some parts of
5 the city, you wouldn't know that SRO's are not legal.
6 That shared housing is not legal. In my district,
7 you can walk around Fordham Road and find [INAUDIBLE
8 1:50:40] anywhere. You can rent a bedroom anywhere.
9 So, can you help us and Council Members that are -
10 have this situation like I do, can you help us
11 understand what this legislation does for us
12 particularly. How can we make New Yorkers that do
13 live in SRO's now that might not be legal, how can we
14 this legislation help them to be safer?

15 MICHAEL SANDLER: Yeah, thank you for that
16 question. I think we agree the currently shared
17 housing is pervasive in New York City and a growing
18 sector of our housing but Quazi legal. We see
19 different forms of shared housing that have different
20 types of ten years, different costs.

21 In terms of what this legislation does for
22 existing illegal SRO's or Quazi legal, a co-living.
23 This does not provide a pathway for legalization of
24 any existing shared housing in New York City today.
25 This does not allow the conversion of existing

2 residential units to shared housing. What we see
3 right now is landlords that are renting individual
4 rooms in existing housing, which is taking housing
5 offline that could be available for families. What
6 this legislation is allow for the creation for
7 purchase built shared housing, either new
8 construction or adaptive reuse of nonresidential
9 buildings like vacant office buildings. Those could
10 be built out as new shared housing residences with
11 modernized code standards.

12 CHAIRPERSON SANCHEZ: Thank you that is very
13 helpful to understand and so, what is the pathway
14 should these units be reported by New Yorkers through
15 311 or how should Council Members deal with existing
16 SRO's, especially those that present unsafe
17 conditions. Existing, illegal HR, SR?

18 MICHAEL SANDLER: Yeah, I think if there are
19 hazardous conditions in housing, we encourage New
20 Yorkers to call 311 and report that to HPD. We can
21 investigate safety issues and issue violations or
22 vacate that unit if there are immediately hazardous
23 conditions. I think that one of the challenges that
24 we face today with a ban on shared housing types is
25 that there's clearly a demand for this type of

2 housing which is pushing both tenants and landlords
3 to seek out these arrangements but there is not a
4 pathway to build this in a safe way and we see uh
5 renting of individual rooms and apartments with locks
6 on the doors and sometimes those locks are access to
7 bedrooms that have a fire escape and so, when we find
8 those situations, right now we don't have a lot of
9 recourse other than potentially vacating that unit,
10 which can leave New Yorkers at risk of homelessness.

11 CHAIRPERSON SANCHEZ: Thank you. Yeah, and the
12 internal locks issue is one that we discussed at
13 length last week, two weeks ago. Uhm, annually, how
14 many eviction cases are brought against occupants who
15 are subleasing from a primary tenant today? Do we
16 know that?

17 MICHAEL SANDLER: We do not know that. Evictions
18 date is maintained by the New York State Office of
19 Court Administration. We don't have access to that
20 data and it's also unlikely that OCA would have that
21 level of granular detail about the makeup of
22 households in eviction proceedings. From our
23 conversations with operators of co-living and
24 residents of co-living, if one tenant in a shared
25 living situation fails to pay rent or violates the

2 lease terms, the landlords only recourse can be to
3 evict all of the tenants in that housing unit.

4 Additionally, tenants that are named on a lease,
5 if you have a roommate share and you have three
6 tenants that are named on that lease, they cannot be
7 treated as separate entities in a housing court
8 situation and in the case of subletters. The primary
9 tenant is ultimately responsible and accountable for
10 the action or inaction of subletters. If their
11 subletter fails to pay their rent, they're unable to
12 pay the rent to the landlord, that landlord maybe you
13 know forced to evict that entire household if it
14 comes to that.

15 CHAIRPERSON SANCHEZ: Thank you but primary
16 tenants with subletters do have standing in court,
17 right?

18 MICHAEL SANDLER: That's correct.

19 CHAIRPERSON SANCHEZ: To evict a subletter. Uhm,
20 and so you're saying that there is no information
21 that HPD has about how often this happens?

22 LUCY JOFFE: So, if it's a data quality issue and
23 more of like a legal structure issue, because as
24 Michael was testifying, there can be lack of legal
25 relationships. So, even if it does end up in court,

2 you're not going to know what the - like, what
3 actually the cause was of that collection of
4 roommates inability to pay the rent and that it was
5 roommate. That can be not always even clear from a
6 court record.

7 CHAIRPERSON SANCHEZ: Got it, thank you. If a
8 tenant is on a shared lease currently and their
9 roommate has engaged in hostile behavior, what
10 remedies are available to that tenant to rectify
11 their living situation and how would this procedure
12 change if rather than sharing a lease, both tenants
13 were renting shared housing units from a landlord
14 directly?

15 MICHAEL SANDLER: Yeah, that's a great question.
16 So, right now, I mean if there are interpersonal
17 conflicts in a housing unit, whether those are
18 roommate shares, whether those are individual tenants
19 that are leasing each of their individual room from a
20 landlord. Those interpersonal contact issues you
21 know typically we go first to the NYPD to resolve if
22 there's safety or health issues that are happening in
23 between or any sort of threats of violence between
24 tenants in a housing unit.

2 The next step of then removing a tenant from that
3 housing unit, can be quite challenging, especially if
4 you know each of those tenants are on a sublease from
5 the primary landlord. Sometimes the co-living
6 operator is themself leasing the housing unit from a
7 landlord and then subleasing each to individual
8 tenants, and that can be a case where it can be very
9 difficult to remove an individual tenant without
10 removing all of the tenants of that apartment.

11 In a new purpose built shared housing, each
12 individual tenant would have a lease with the
13 landlord and their own independent relationship with
14 the operator of that property. Likely and what we
15 see as best practices in this space is that there's
16 also a lease writer that lays out community
17 guidelines, which also allows for removal of tenants,
18 if they do not meet those community guidelines. So,
19 there's an extra level of safety one through that
20 lease writer through those independent relationships
21 where the operator has much more control over
22 removing problematic tenants if those issues arise.

23 CHAIRPERSON SANCHEZ: Got it. Thank you and one
24 last question from me and I'll turn it over to
25 Council Member Restler. So, you've testified that

2 this piece of legislation does not create a pathway
3 for a conversion of any existing shared housing.
4 Uhm, but I'm thinking about you know our
5 conversations and discussions in the basement space
6 and legalization of basements and why it's important
7 but people live there, right? People live there
8 today; they will continue to do so. Is it the
9 agencies position that there shouldn't be a pathway
10 to conversion or is this something that you would
11 entertain as the agency is interested in entertaining
12 in the future, a pathway with conversion?

13 MICHEAL SANDLER: Yeah, we'd be happy to work
14 with the Council to look into the opportunity to
15 allow for the conversion of existing units to shared
16 housing units. It's a much more challenging
17 situation because you have just like in the basement
18 space, existing room layouts that might make safe
19 conversions more difficult. Like I mentioned earlier
20 with a fire escape that is accessed through one of
21 the bedrooms. So, what we're trying to do today is
22 layout kind of the best in class baseline standards
23 for what we think safe, shared housing models look
24 like in terms of fire safety, in terms of management
25 practices and ratios of bathrooms and kitchens to

2 rooming units. So, that's what we're doing today.

3 Like, this is what we think is the baseline standard
4 for what we want to evaluate and then we'd be happy
5 to follow up with future legislation to consider
6 allowing for legalization of existing shared housing
7 and we would want to do that in a way that doesn't
8 encourage landlords to take existing family housing
9 units offline.

10 CHAIRPERSON SANCHEZ: Thank you. Appreciate that
11 response. Council Member Restler followed by Council
12 Member Dinowitz.

13 COUNCIL MEMBER RESTLER: Thank you so much
14 Associate Commissioner. Just a couple questions. My
15 understanding was there had been city restrictions
16 dating back to the Koch era on new SRO construction
17 through the City of Changes and City of Yes in this
18 legislation we would help to lift. But that there
19 were also restrictions in the state multiple dwelling
20 law. And could you just speak to what are the uhm,
21 uhm, kind of impediment in state law that allow, that
22 make it challenging for us to convert or build new
23 SRO's or shared housing, if that's the terminology of
24 the day here in New York City.

2 MICHAEL SANDLER: Yeah, that's a great question.

3 So, there's obviously zoning, the city's housing and
4 building codes, fire code and then also the state
5 multiple dwelling law, all which in some way regulate
6 the construction or operations of shared housing.

7 There were barriers, there was inconsistent
8 definitions in zoning for rooming units and other
9 barriers like parking requirements that were removed
10 through City of Yes. So, that's already been taken
11 care of today through the passage of City of Yes.
12 This legislation addresses what is today in the
13 housing maintenance code, essentially a ban on the
14 creation of new SRO's.

15 COUNCIL MEMBER RESTLER: I thought that there was
16 an exception if it was nonprofit owned and operated.

17 MICHAEL SANDLER: That's right, so when I say
18 essentially ban, it's not a complete ban. There is
19 right now in the Housing Maintenance Code, there are
20 very limited circumstances where you can build new
21 SRO's and that's really effectively for nonprofit
22 management.

23 COUNCIL MEMBER RESTLER: Right.

24 MICHAEL SANDLER: The State Multiple Dwelling
25 Law, Section 248 of the State Multiple Dwelling Law,

2 regulates single room occupancy. There are some
3 things that have made the construction of new SRO's
4 challenging that are contained in those requirements.
5 Like the requirement for a live in super. What we're
6 proposing today is to create a new local housing
7 category in the building code, housing code, and fire
8 code for shared housing rooming units that meet all
9 of the requirements of the State Multiple Dwelling
10 Law with at least as restrictive requirements. And
11 so, we're proposing a new style with its own
12 management requirements that are as restrictive as
13 what is required in Section 248 of the Multiple
14 Dwelling Law. So, we believe that you can construct
15 these units and comply with the existing State
16 Multiple Dwelling Law for SRO.

17 COUNCIL MEMBER RESTLER: Okay and then one last
18 question from me. Uh, the Deputy Mayor, then Deputy
19 Mayor Glenn and her team I think did a pretty
20 extensive analysis on the financing of new SRO
21 construction and you know within the limitations of
22 the time that they had to be nonprofit managed or
23 nonprofit controlled, uh and my recollection of their
24 findings, which I don't know if were made public but
25 when I was working with them, was that essentially

2 the operating costs for cleaning and maintaining
3 shared spaces made the cost as much or even more then
4 just building out studio apartments for individuals
5 who were in need of housing.

6 And in addition to that, one of the challenges
7 we've identified in my experience at the Department
8 of Homeless Services, with moveouts of people who are
9 homeless is that there's been a resistance to moving
10 into SRO housing and a strong preference to having a
11 studio apartment and space of their own. And so,
12 just wondering if you could speak to those two items.
13 One, from a financing standpoint, do you think that
14 this is actually more cost effective then building
15 out studios? Secondly, do you think that - do you
16 feel like we are seeing good data to show that we can
17 effectively effectuate DHS moveouts. Because I think
18 that's not the exclusive but it's one of the
19 populations we're trying to serve by expanding shared
20 housing models, that we'll be able to successfully
21 effectuate those moveouts to help drive down our
22 shelter census and the homeless population in the
23 city.

24 MICHAEL SANDLER: Yeah, I think those are both
25 great questions. Uhm, I might take that in reverse

2 order if that's alright. Uhm, I think just from our
3 perspective and we touch on this in the shared
4 housing roadmap. Shared housing is we think an
5 important choice that folks should have. We do see
6 in the market today demand for shared housing units.
7 We surveyed you know the top four operators of shared
8 housing in New York who operate over 125 buildings.
9 Even with effectively a ban on them today, which does
10 speak to significant demand for this housing. We
11 have heard pretty clearly from operators of
12 supportive housing and operators of shelter, that
13 shelter moveouts are very difficult and that folks
14 that are coming out of shelter are not particularly
15 interested in moving into living arrangements that
16 have shared bathrooms and kitchens.

17 So, from HPD's perspective, we don't think that
18 this is a great opportunity for shared housing except
19 in circumstances where there is a specific population
20 that might benefit from communal living. Like our
21 Ali Forney Extended Living project, which is for
22 formerly homeless youth with a focus on LGBTQ youth.

23 So, that's a population that we think might
24 benefit from the type of community that this can
25 provide but overall, we don't see that this is like

2 the way to go for moving folks out of shelter. I
3 think that this is something that there's demand on
4 the market from young professionals in particular
5 that can be met and that right now, those young
6 professionals are pulling their resources and taking
7 up larger apartments that could be going to families.

8 On the cost, we've looked extensively at cost.
9 There was also a recent Furman Center report that
10 also looked at cost and CHPC reports that looked at
11 costs. We do see higher operating costs compared to
12 other housing. On the projects that we've worked
13 through HPD, there's new costs. Like cleaning
14 supplies that we're not currently underwriting for in
15 our project, daily cleaning of common spaces. These
16 are new costs that are added to the landlord. We
17 think that these can be offset by reducing you know
18 compared to a building that's all studios for
19 example, there's fewer kitchens and bathrooms, which
20 are big cost drivers in construction and it's not
21 going to balance out those two things in every single
22 project. We do think that there is some projects
23 where shared housing will be more cost efficient and
24 other sites where it might be less cost efficient and
25 that's going to have to with scale. The shape of the

2 site, the type of site. We do think that for office
3 conversions in particular, being able to cluster
4 kitchens and bathrooms around existing plumbing
5 networks could be a big benefit and help that
6 balance.

7 COUNCIL MEMBER RESTLER: Those are helpful and
8 thoughtful answers. I appreciate it. I will say
9 that the first apartment I moved into out of college
10 was an illegal shared housing set up. Uhm, and I met
11 a number of very nice people who shared the bathroom
12 and kitchen space with me, some of whom I remain in
13 touch with to this day. I stayed there for a couple
14 years. It was a good apartment for me at 22 but it
15 was definitely illegal.

16 MICHAEL SANDLER: And I had a very similar
17 experience.

18 CHAIRPERSON SANCHEZ: I love when we admit to
19 doing illegal things here.

20 COUNCIL MEMBER RESTLER: I wanted to tell you how
21 long ago that was.

22 CHAIRPERSON SANCHEZ: Thank you Council Member
23 Restler. Council Member Dinowitz.

24
25

2 COUNCIL MEMBER DINOWITZ: You know where I come
3 from, those friends of yours Lincoln, they're called
4 accomplices with that illegal activity. It's fine.

5 So, we used to have SRO's, right? They were shut
6 down like the 50's, 60's, 70's weren't viewed very
7 positively. It was viewed as slums or like a lot of
8 crime going on there. Can you talk about that era?
9 What was going on in the SRO's? Why they shut down?
10 Very briefly because I actually have real questions
11 but like and how this would be different? How
12 opening up SRO's again legally would be different
13 then in the 50's, 60's, 70's.

14 MICHAEL SANDLER: Yeah, so I won't give a history
15 lesson. I think that you're familiar with what was
16 also happening more broadly in New York during the
17 60's and 70's and what was happening to our housing
18 stock generally and our economy during that time and
19 I think what we saw during that time was landlord
20 abandonment. We saw high rates of poverty within
21 SRO's and lots of challenges with poor housing
22 quality and with safety issues in those housing units
23 that led to the ban.

24 I think after imposing the ban, we also saw in
25 the 1980's legislators desperately trying to keep the

2 SRO's that we had because they saw that as we lost
3 SRO's we saw a very steep rise in street
4 homelessness.

5 COUNCIL MEMBER DINOWITZ: So, like in this
6 legislation for example or in HPD now, are there any
7 protections to prevent what happened then? Because
8 it was happening disproportionately in SRO's right?
9 Like, that was happening more there. Any protections
10 in the legislation or in HPD policy now to prevent
11 against what we were seeing 50, 60 years ago?

12 MICHAEL SANDLER: Yeah, so what we're proposing
13 through this legislation is a much higher quality
14 housing than we saw in the SRO's that were built
15 under that Section 248 of the Multiple Dwelling Law
16 that I mentioned before. So, what we're proposing is
17 reducing the number of kitchens and bathrooms that
18 can be shared. So, going from six rooming units to
19 one kitchen and bathroom to three rooming units per
20 kitchen and bathroom. So, much lower ratios there
21 and larger rooming units themselves. So, we think
22 that one, the higher quality standards. In addition,
23 higher fire safety standards than we had in previous
24 versions of SRO's.

2 And then also HPD as part of the legislation,
3 requires HPD to promulgate rules about property
4 management and we think that those rules also can
5 stipulate things around cleaning, and management that
6 will also help in that space.

7 COUNCIL MEMBER DINOWITZ: And this is for for-
8 profit market rate development and will HPD be
9 creating term sheets for subsidized housing,
10 subsidized SRO housing?

11 MICHAEL SANDLER: So, yes, this will allow as you
12 said market rate shared housing on the HPD side. We
13 don't intent to create new term sheets but we're
14 going to be working over the next year to take our
15 existing term sheets and allow for a shared housing
16 option under each of our existing term sheets, being
17 careful not to create any new incentives to
18 prioritize shared housing over other housing types
19 but we will allow for an option for affordable shared
20 housing.

21 COUNCIL MEMBER DINOWITZ: Well, that's actually
22 to my next question, right which is it was like a
23 week ago, two weeks ago. I feel like I see you every
24 day.

25 LUCY JOFFE: Yeah, like nine days.

2 COUCNIL MEMBER DINOWITZ: Nine days ago, we were
3 talking about my bill 1433 about more two and three
4 bedroom apartments. You're really making your term
5 sheets reflective of the population and one of the
6 things that we see all throughout the city, whether
7 you're a developer or an agency or an elected
8 official, is touting the number of units that you are
9 producing as opposed to touting the number of people
10 you've housed. So, what protections are there to
11 prevent a market rate developer from saturating a
12 particular neighborhood or community district or
13 borough? Well, not borough in this legislation but
14 in a particular community district with SRO's to say,
15 hey look, I've created you know 1,000 units of
16 housing instead of the 500 I would have gone by
17 bedrooms. And you know in the same mindset, what is
18 preventing HPD, which currently does incentivize unit
19 production. What are sort of protections are there
20 against the same thing, saturating the subsidized
21 housing market with SRO's? With subsidized SRO's?

22 MICHAEL SANDLER: I'll say a couple things and
23 I'm also inviting my colleague to chime in here. I
24 think uhm, we see right now today in our housing
25 market, shared housing. It is something that there

2 is a demand for. We see sort of Quazi legal co-
3 living operators. We see illegal SRO's and we see
4 hundreds of thousands of New Yorkers who are taking
5 on roommates. So, it already exists today in our
6 housing market and what we're proposing is a version
7 that has additional safety protections and is a
8 higher quality then what we see today. So, that's
9 sort of our baseline from this in terms of -

10 COUNCIL MEMBER DINOWITZ: And I get it; I'm not
11 opposing that - the existence of it and the desire
12 for them to be safe. It's a question, it's a
13 legitimate question, is how does HPD plan to prevent
14 either in the market rate housing or in the
15 subsidized housing a saturation of SRO's when the
16 incentive is and has been the production of units.

17 LUCY JOFFE: So, I'll start by saying yes, this
18 was the discussion when we last spoke. I would say
19 that HPD did not agree that we are only focused on
20 the production of units. I understand that's your
21 perspective here. From our perspective this is
22 absolutely something that we think about and are
23 actively concerned about in our design. Uhm, HPD to
24 Michaels point, has no intention of changing our term
25 sheets in such a way that we are incentivizing this

2 and we actually know from our own prior experience
3 that it's not right for everybody and uhm, so we have
4 no reason to think that we're going to you know over
5 incentivize the production of this type of housing.
6 We do think it can, to your point and one of your
7 major concerns, help free up space in other types of
8 housing, which could meet some of our collective
9 goals. And in terms of the market, in addition to
10 the fact that we are responding to something that's
11 already happening and then you know in some ways,
12 creates an obligation for us to really respond
13 meaningfully, that this is not open to all parts of
14 the housing market. We discussed with the Chair that
15 this actually is a limited slice at this moment. It
16 is for housing that is - uh it is only for housing
17 that is currently zoned as multifamily but is not
18 currently residential. So, there are real limits
19 baked in and it's something that we should continue
20 to collectively look at but we do feel confident that
21 we have designed this thoughtfully and that our
22 intention here is not to make this the primary
23 response for people but for those folks who this is
24 the best option, we want it to be available but most
25 importantly, safe.

2 COUNCIL MEMBER DINOWITZ: Okay and I know my time
3 is up. I would just say I would love to continue the
4 conversation. Is she throwing the hammer at me? It
5 is the hammer. Great periphery. Uhm, that it does
6 free up HPD to construct more to incentivize that
7 production. So, it's certainly aligned with that
8 goal and the goal of legislation 1433. But also, I
9 mentioned further discussions about how to protect
10 any individual community from the saturation of any
11 type of one type of housing because I do believe the
12 incentives are there to just produce unit after unit
13 and not always meet the needs of the local community.
14 And I want to thank the Chair again for the extended
15 time. Thank you for your testimony today.

16 MICHAEL SANDLER: Thank you.

17 CHAIRPERSON SANCHEZ: Thank you. Thank you so
18 much Council Member Dinowitz. And that concludes our
19 Council Member questions for the Administration.
20 Thank you so much for your time today and your
21 thoughtful responses. I will now open up the hearing
22 for public testimony. I remind members of the public
23 that this is a formal government proceeding and that
24 decorum shall be observed at all times. As such, no
25 threatening colleagues with the hammer. Do as I say,

2 not as a do. I remind the uh the witness table is
3 reserved for people who wish to testify. No video
4 recording or photography is allowed from the witness
5 table.

6 Further, members of the public may not present
7 audio or video recordings as testimony but may submit
8 transcripts of such recordings to the Sergeant at
9 Arms for inclusion in the hearing record. If you
10 wish to speak at today's hearing, please fill out an
11 appearance card with the Sergeant at Arms and wait to
12 be recognized. When recognized, you will have two
13 minutes to speak on today's hearing topic of Co-op
14 Transparency and the associated legislation Intro.'s
15 number 407, 438, 1120 and 1475.

16 If you have a written statement or additional
17 written testimony you wish to submit for the record,
18 please provide a copy of that testimony to the
19 Sergeant at Arms. You may also email written
20 testimony to testimony@council.nyc.gov within 72
21 hours of this hearing. Audio and video recordings
22 will not be accepted.

23 Uhm, we are going to start with a remote panel
24 first of one person. Craig Gurian from the Anti-
25 Discrimination Center and the Civil Rights Coalition

2 for Transparency and Accountability as he has to run
3 and he worked with the Public Advocate on Intro. 407.
4 So, we're going to call you up first and then we're
5 going to move to an in-person panel.

6 SERGEANT AT ARMS: You may begin.

7 CRAIG GURIAN: Thank you Chair Sanchez. I thank
8 the Committee for inviting the Anti-Discrimination
9 Center to share its views of the legislation before
10 you today. I apologize for not being present in
11 person but my wife had surgery yesterday and I need
12 to be with her. I've been working on and off 35
13 years to strengthen the City Human Rights Law,
14 including being a principal architect of the
15 comprehensive 1991 revisions, the landmark 2005 Local
16 Civil Rights Restoration Act, a host of 2016 upgrades
17 to the city HRL and consulting on numerous other
18 bills.

19 The Civil Rights Bill before you today is Intro.
20 407-A the Co-op Disclosure Law. I have submitted
21 online extensive written testimony that you should
22 have available appending polling that shows
23 overwhelming support for co-op disclosure among New
24 Yorkers including co-op owners who are not board
25 members. A section by section analysis of the bill

2 and an article that sets out the consensus that
3 discrimination is still a problem in the co-op
4 context.

5 In the short time available to me today, I just
6 want to highlight a few points. For all the fear
7 mongering of the co-op industry, Intro. 407-A is a
8 simple and straight forward civil rights enforcement
9 bill, providing reasons for rejection is no more than
10 the most basic transparency.

11 There are many candidates for most dishonest
12 argument against the bill but a strong contender
13 unfortunately paired by a minority of members, is
14 that legislation is not needed, "because housing
15 discrimination is already illegal." The question
16 isn't whether a law exists, but rather whether that
17 law is effective because co-ops can't be tested
18 uniquely. The efficacy of fair housing laws is
19 already uniquely impaired. The co-op industry has
20 not adopted secrecy about rejections as the kids say,
21 like by random. It's a deliberate well thought
22 through mechanism designed to prevent someone who has
23 been turned down.

24 SERGEANT AT ARMS: Time.

25

2 CRAIG GURIAN: From assessing whether the reasons
3 were -

4 CHAIRPERSON SANCHEZ: I'm sorry. I'm sorry
5 Craig, you're time has expired but I do have a couple
6 of clarifying questions if you will and I think my
7 colleague does as well. So, you can in the responses
8 to your follow up questions also, summarize anything
9 that you wanted to add but you know in the vein of
10 claims that are made in opposition to Intro. 407, you
11 mentioned discrimination is already illegal. One of
12 the items that we are hearing a lot is that opponents
13 of 407 say it calls for a personal liability of board
14 members. Can you tell us if that is your assessment
15 or your intent in helping with the crafting of this
16 legislation?

17 CRAIG GURIAN: Yeah, yeah, uhm Chair Sanchez,
18 that's a perfect example. It's not like, what my
19 view is, it's just a false statement. So, I have to
20 break that down into two parts. Under existing
21 Discrimination Law, what's on the books right now,
22 individual board members are personally liable if
23 they participated in the discriminatory act.

24 Now, let's look at Section 904 of Proposed Intro.
25 407-A. That is much more narrowly drawn and again,

2 this is in the text in the bill. Those who are
3 subject to penalties for a violation of the
4 Disclosure Law, there's only one entity. The
5 cooperative corporation. It's simply a false claim
6 that there is other disclosure violating liability
7 that's available.

8 CHAIRPERSON SANCHEZ: Thank you. There are also
9 concerns that the city doesn't have authority to
10 legislate in the area of co-ops. What's your
11 response to that?

12 CRAIG GURIAN: This is a claim that's made all
13 the time. It is equally false. The State Court of
14 Appeals, the States highest court, has made clear
15 that among the limitations on the so-called business
16 judgement rule and co-op discretion is
17 discrimination. It is not protected. The city has
18 been given in co-ops and elsewhere, under the Human
19 Rights Law specifically, equal jurisdiction with the
20 state and there is no bar to the city acting in this
21 way. I should also add that there are a number of
22 other areas where a party is required to set out its
23 position and be stuck with that position. If
24 afterwards, a judicial proceeding is started. That
25 happens with every challenge to a determination made

2 in an administrative proceeding, it happens in the
3 context of holdover proceedings initiated by a
4 landlord. It happens to challenges, to denials to
5 ERISA claims and others. This is very; this is very
6 simple. Co-ops have the ability to put their cards
7 on the table. They know why they've just made their
8 decision. They should be made to do so.

9 CHAIRPERSON SANCHEZ: Thank you. That's helpful
10 and finally, is there - why is there a sliding scale
11 fines for violating this law?

12 CRAIG GURIAN: Uhm, because again, despite all
13 the we're all going to die, the sky is falling
14 rhetoric, there has been from the start in
15 relationship to this legislation, a good faith effort
16 to recognize that co-ops do have different levels of
17 resources and that there are a range of types of
18 violations. And so, that gives the fact finder.
19 It's all capped but there's a range so that a smaller
20 co-op as less resource co-op, a co-op whose violation
21 is in willful, is fined much less than one that is
22 well resourced and engages in a more egregious
23 conduct.

24 CHAIRPERSON SANCHEZ: Thank you. Thank you
25 Craig. Public Advocate.

2 PUBLIC ADVOCATE WILLIAMS: Yeah, thank you so
3 much for all the work on this bill and in this space.
4 I just want to clarify what you were saying. I think
5 what I was trying to make clear in some of my back
6 and forth with the Administration but uhm, it seems
7 like this bill will not create any new liabilities
8 around these issues for co-op owners. What it does
9 is better enforce the law as it stands because right
10 now, as was mentioned, discrimination is illegal but
11 we haven't been able to really enforce that because
12 people don't know why they have been rejected and
13 various other reasons.

14 So, can you just clarify that point? Is it that
15 we're making it more enforceable? Are we creating
16 new liabilities where they didn't exist?

17 CRAIG GURIAN: The liability uhm for committing a
18 discriminatory act is entirely the same and I'll tell
19 you Mr. Public Advocate, and I should thank you for
20 your efforts in pushing this bill forward. There's -
21 discrimination liability remains the same and co-ops
22 again by the explicit text of the bill, Section 909
23 retain the right to turn people down for any legal
24 reason they currently have.

2 This bill does not touch on or intrude on that at
3 all. What has to happen is the co-ops have to come
4 up with a truly specific reason and that will help
5 people who have been denied. In one way, it will
6 just help because there might be something, for
7 example, about their credit record that they don't
8 know about but it helps people assess whether a
9 reason adds up or whether it's more likely to be
10 discriminatory and it doesn't permit down the line if
11 a fair housing act or say, a human rights law claim
12 is made for a discrimination defense lawyer to come
13 up with different reasons well after the fact. So,
14 for the last 35 years, I've only done civil rights
15 work in a variety of areas litigation and not, and I
16 can tell you having cards put on the table and not
17 having people be able to change their reason to come
18 up with different excuses, makes a tremendous
19 difference. And just one quick last point, uhm,
20 we've heard from time to time justice co-ops are
21 saying, "this is terrible. It's so burdensome to
22 have to say why we did what we just did." We'll be
23 able to get around it. We'll just come up with a
24 whole bunch of reasons but for anyone who knows anti-
25 discrimination law, the law is very clear that once

2 you start putting forward reasons that are false or
3 misleading or incomplete, a jury is able to conclude
4 that you're lying to cover up discrimination, so I'd
5 certainly encourage co-ops to give true reasons. We
6 know not all of them will but getting those cards on
7 the table, that's the key thing.

8 CHAIRPERSON SANCHEZ: Thank you. Thank you Mr.
9 Gurian. Council Member Dinowitz.

10 COUNCIL MEMBER DINOWITZ: Thank you. Thank you.
11 So first, I do want to recognize the Public Advocate
12 Jumaane Williams, which I think - who I think over
13 the years has proved himself to be a good listener.
14 Someone who is genuinely trying to address issues.
15 Uhm, in this case, in the case of the co-ops, uhm,
16 and as we keep talking about discrimination is
17 illegal and there's no disagreement there. I don't
18 think there's disagreement that it's bad. I think
19 there's an assumption by some that the discrimination
20 is wide spread and rampant and an assumption that any
21 time someone is rejected from a co-op, it is because
22 of discrimination. And the goal of this is to say,
23 uhm, every single time someone is rejected, it's
24 discrimination and we are going to put more
25 mechanisms in place to enforce that. And I will

2 share one thing; if I'm paraphrasing it wrong, please
3 just give me the shake, you know a little head shake
4 but I believe it was testified by the Commission;
5 she's giving both, by the Commission on Human Rights
6 that a co-op board uhm, you know listen to reasons
7 doesn't elucidate whether it's discrimination or not.
8 The investigation still has to happen and it doesn't
9 provide any additional information to them.

10 CRAIG GURIAN: That's false.

11 COUNCIL MEMBER DINOWITZ: You can say it's false,
12 I'm trying to paraphrase -

13 CRAIG GURIAN: Council Member -

14 COUNCIL MEMBER DINOWITZ: Excuse me, I'm not
15 done. I'm not done, excuse me. Thank you so much.
16 I'm just trying to paraphrase what was said earlier.
17 If you're saying it's false of what she said, I think
18 we should talk later about what was on the record
19 because that was sort of my recollection but I do
20 want to point at something else you said. That's -
21 I'm confused about that I do want you to answer and
22 then you can address the other thing that I mentioned
23 because I do want to hear about it. You had said
24 it's shameful that anyone would want to say there's
25 personal liability, which I just want to read to you

2 what the bill says and then you can tell me you know
3 about what this text says. So, the statement
4 required, it says, "the statement required by this
5 Section shall include a certification by an officer
6 of the cooperative corporation sworn or affirmed
7 under penalties of perjury." Under penalties of
8 perjury that this statement is true, complete and
9 specific [INAUDIBLE 02:29:09] of each and all the
10 cooperative reasons. Each person who participated in
11 the decision to withhold consent has stated that the
12 certifying officer that such a person had no reason
13 for withholding consent. But it's that phrase under
14 penalty of perjury, penalties of perjury to the
15 individual officers. So, can you talk about how that
16 doesn't implicate an individual officer and then talk
17 about what I heard what the testimony was from the
18 Commission on Human Rights? Thank you.

19 CRAIG GURIAN: Yeah, thank you Councilman and
20 uhm, yeah, I wasn't saying - I didn't hear the
21 Commissions testimony but what you say is consistent
22 with things that the Commission has said in the past.
23 So, a better way of putting it is the Commission
24 unfortunately doesn't appreciate the basics of what's
25 involved in investigating a discrimination claim.

2 The central aspect of investigating a discrimination
3 claim is looking to see whether a pretextual false
4 reason is given because it's quite unusual for a
5 defendant of any kind to come up and say, "yes, we
6 acted because we didn't like the race or religion or
7 sexual orientation of a particular applicant.

8 COUNCIL MEMBER DINOWITZ: But isn't that - and
9 respectfully, isn't that what an investigation would
10 reveal? I think one of the examples was when they
11 asked about the citizenship in one of the interviews,
12 that was discrimination because of the investigation.

13 CRAIG GURIAN: Actually, again you may have heard
14 the Commission say, we get what comes to us. The
15 point is not that every time a co-op board turns
16 somebody down it's discrimination. The point is
17 sometimes it's discrimination and there are two
18 things that are true here. Number one, co-ops are
19 uniquely situated in the market. That is only co-ops
20 cannot be effectively tested by fair housing
21 organizations or sales that the sellers agree to and
22 a respective buyer wants to buy and a bank is given
23 financing for because you don't get to the co-op
24 board until a contract is signed and a long
25 application is filled out. So, co-ops uniquely have

2 installation from one type of an investigation but
3 the main point is investigations don't happen
4 automatically. Someone has to go forward and decide
5 to do that and surveys have shown that the
6 overwhelming percentages of people don't come
7 forward. Over 90 percent of people who believe
8 they've been discriminated, don't come forward and I
9 think it's quite evident that secrecy makes it more
10 difficult because you just don't have any idea.

11 If on the other hand a co-op says to you, we
12 turned you down because you haven't been working at
13 the same job for three years, then your broker will
14 be able to say perhaps, that's interesting we just
15 got somebody into that building whose only been at
16 the current job for a year. It's being able to
17 assess reasons that allows people to go forward in a
18 serious way. And so, that's, that's - those are two
19 points. Then the last point is it is absolutely true
20 that the officer has to make statements under penalty
21 of perjury. It's theoretically possible that uhm,
22 that the state could try to go after that. There's
23 no civil penalty that's involved here and for the
24 violation of this law, it is set forth in Sections
25 804 and 805 and what it says is that it is the co-op,

2 a co-op corporation that is determined to have failed
3 to timely comply shall be liable, not anybody else.

4 CHAIRPERSON SANCHEZ: I think Council Member
5 Dinowitz has some follow up questions that we'll
6 communicate about offline regarding right of action
7 and you want to just say them for the record?

8 COUNCIL MEMBER DINOWITZ: I don't like these new
9 buttons. Uhm, I like the new room though. Uhm and
10 just to point I think the Commission on Human Rights
11 may, which I think a good analog is you know could be
12 the job market, which I thought was very uhm
13 appropriate but we will tie - I am interested in
14 continuing this conversation offline and I know there
15 are a lot of people ready to testify today, so I
16 don't want to take more time but let's exchange
17 information to continue this. Thank you.

18 CHAIRPERSON SANCHEZ: I'd like to acknowledge
19 we've been joined by Council Member Brewer and in 30
20 seconds or less Mr. Gurian, if you could share uhm,
21 you know of the requirements, the reasons the
22 requirement exists in Suffolk, Nassau and West
23 Chester. Can you tell us about how those co-ops
24 comply with these laws? Are there checklists? Are
25 there you know forum letters or are folks putting out

2 like are co-op boards and board members putting out
3 extensive descriptions for why there are
4 declinations?

5 CRAIG GURIAN: Yeah, West Chester, which I'm more
6 familiar with, uhm, uhm, had to update its law
7 because there wasn't sufficient compliance but there
8 have to be sufficient reasons. This bill is in fact
9 more tailored to the New York market and we're really
10 again, just two things that have to happen and you
11 need to ask yourself, why is the industry so afraid?

12 You just have to say why you did -

13 CHAIRPERSON SANCHEZ: Sorry Craig, I just, I want
14 to - the specific question is how they're complying?
15 And you said that there's noncompliance but to the
16 extent that folks are complying, how are they doing
17 so? Is it short fall, long -

18 CRAIG GURIAN: They're doing so by writing a
19 letter to the person turned down.

20 CHAIRPERSON SANCHEZ: So, they're writing
21 letters, okay excellent. If to the extent you have
22 or there are any public versions of this stuff, it
23 would be helpful I think for the Committee to
24 consider but thank you for sharing your time with us.

2 I know this - all the best to your wife and really
3 appreciate your participation today.

4 CRAIG GURIAN: Thank you very much. I appreciate
5 it.

6 CHAIRPERSON SANCHEZ: Thank you. Okay, I will
7 now call the first in person panel, Mary Ann Rothman
8 of the Council of New York City Co-Ops or New York
9 Co-Ops, Will Kwan, Tania Arias, Rebecca Poole, and
10 John Curtis.

11 Yup and while that panel situates themselves, the
12 following panel will consist of Mike Kelly of the New
13 York State Association of Realtors, Zoila Alonzo,
14 same organization, Jessica Adke-Elmazi, Yvette Clark
15 Watkins of Long Island Board of Realtors and Crystal
16 Hawkins-Syska of the Hudson Gateway Association of
17 Realtors.

18 For this panel, Mary Ann Rothman, Will Kwan,
19 Tania Arias, Rebecca Poole, and John Curtis. If you
20 could just state your name, make sure that's part of
21 your first line and then go into your testimony and
22 whoever is ready can begin.

23 MARY ANN ROTHMAN: I'll start. Good morning I
24 think. I got a red light. It's working? Thank you.
25 Thanks for this opportunity to testify in opposition

2 to Intro.'s 407, 438, and 1120. My name is Mary Ann
3 Rothman and I am the Executive Director of the
4 Council of New York Co-Operatives and Condominiums,
5 which is a membership organization which for 50 years
6 has provided information, education, and advocacy to
7 and for New York Housing Co-operatives and
8 Condominiums.

9 Our membership includes more than 100,000, uh
10 more than 170,000 individual units in co-ops and
11 condo's of every size and shape located throughout
12 the city and beyond.

13 When a house is sold, the seller leaves and the
14 new homeowner has the privacy of and the
15 responsibility for their own home. When a
16 cooperative is so old, the seller does leave but the
17 remaining shareholders in the cooperative become the
18 business partners, the neighbors, and the colleagues
19 of the incoming homeowner.

20 Protecting the safety and the financial health of
21 the cooperative and its compliance with all
22 applicable laws, is the shared responsibility of all
23 the co-operators and specifically that of the co-op
24 board. In very small buildings, literally everyone
25 may have a daily role in maintaining the building.

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2 In larger co-ops, much of the actual work is
3 delegated to management, employees, contractors, but
4 the responsibility still remains with the board to
5 oversee all projects. These board members are
6 volunteers elected by their fellow shareholders. One
7 major responsibility that the board cannot delegate
8 is ensuring to the best of its ability that all
9 incoming shareholders can carry their financial share
10 of co-operative living and that they will follow the
11 rules and be active participants in the co-op
12 community.

13 We urge this Committee to oppose passage of
14 Intro.'s 407, 438, and 1120-A that seek to control
15 the admissions process in New York City co-operatives
16 as an affordable form of homeownership.

17 CHAIRPERSON SANCHEZ: Did you conclude?

18 MARY ANN ROTHMAN: Co-ops are an affordable form
19 of homeownership in our very expensive city;
20 rejections are few as we've just heard. The board is
21 trying their best to accommodate perspective
22 neighbors. Please read my full testimony and the
23 testimony of all those here today in opposition to
24 these bills and ensure that they do not advance.

25 CHAIRPERSON SANCHEZ: Thank you.

2 REBECCA POOLE: Thank you Chair Sanchez and
3 members of the Committee for the opportunity to
4 testify in opposition to Intro. 407, 438, and 1120-A.
5 My name is Rebecca Poole and I am the Director of
6 Membership for the Council of New York Co-Operatives
7 and Condominiums. For decades, co-ops have provided
8 middle class New Yorkers with a root to affordable
9 homeownership. Lately escalating costs due to
10 compliance measures risk segregation and increasing
11 insurance premiums have eroded that affordability and
12 added to the workload force faced by volunteer board
13 members. Advocates for Intro. 407-A state that co-
14 ops will comply with the law if passed. They are
15 correct. The very nature of a co-op in which you
16 share your home and financial security with your
17 neighbors, requires compliance. The question before
18 the Council isn't whether co-ops will comply but at
19 what cost and for what benefit? One of the most
20 important tools the board has to maintain the
21 affordability, safety, and quality of life of its
22 cooperative is a strong admissions policy. When
23 shareholders do not make timely payments, break
24 community rules, refuse to participate or fail to
25 follow municipal laws. All other shareholders must

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2 cover the cost, liability, and consequences. This is
3 not a risk that is equivalent to that faced by a for-
4 profit bank or a credit card company giving a loan.

5 Boards must be able to act freely on potential
6 risks they identify when evaluating purchase
7 applications in accordance with existing laws.

8 Intro. 407 threatens these board members with a
9 penalty of perjury, a criminal offense. It requires
10 co-op boards to provide a detailed explanation behind
11 the reasons for rejection, citing all negative
12 sources which may be references or includes
13 subjective conclusions based on the information
14 provided.

15 The personal and corporate risk this opens is
16 clear. The legal costs and insurance repercussions
17 are large and will be borne by New York City
18 homeowners. CNYC urges each Council Member to
19 protect the co-op homeowners and volunteer board
20 members in their districts from unnecessary
21 additional costs and liability. Thank you.

22 CHAIRPERSON SANCHEZ: Thank you.

23 JOHN CURTIS: Good morning Council Members.
24 Thank you. My name is John Curtis; I am a Vice
25 President of a Board 370 Riverside Drive at West

2 109th Street and as the Vice President of the Board,
3 I am also a member of the Finance Committee. So, I
4 speak to the bill, I believe it's 1120-A that imposes
5 strict timeframes in terms of responding to an
6 application. Let me begin by saying I am unaware of
7 the practice of not responding at all to an
8 application. We are very, very conscious of the need
9 to respond to an application and ultimately to render
10 decisions. So, the idea - if the idea is to require
11 their co-op ultimately make a decision and announce
12 it to an applicant, I would be fully supportive of
13 that but the strict time requirements are
14 unrealistic. It's difficult to be sure when an
15 application is complete given the complexity of the
16 financial and other information that's required. You
17 often need to go back and ask for additional
18 submissions. That can take quite a while in terms of
19 the additional submissions coming forward and the
20 idea that ultimately the penalty for missing such
21 timing requirements would be an automatic approval of
22 an applicant is totally unfair.

23 So, I urge you to consider very, very carefully
24 this very strict timeline idea of an application but
25 ultimately a requirement that there be a response

2 without going to the idea of all the reasons being
3 stated but there be a final response is absolutely
4 fair. I do think that having listened to the CCHR
5 representatives this morning, in terms of pursuing
6 discrimination claims, it seems to me that that is
7 the proper form rather than individual litigation
8 subject to perjury allegations against individual
9 board members. And I do finally say that having
10 tried to recruit other members to serve on the board,
11 you should also take seriously that it is not easy
12 and I would submit that for your consideration.

13 Thank you.

14 CHAIRPERSON SANCHEZ: Thank you.

15 WILL KWAN: Thank you Council Member Sanchez and
16 the Committee for the chance to testify today. My
17 name is Will Kwan, I've been on a Co-Op board member
18 for the past 28 consecutive years since 1997 at 139
19 East 33rd Street in Lexington Park Avenue, after I
20 moved there in 1995. They have 193 apartments there,
21 predominantly studios and one-bedroom apartments and
22 since the 2000's, there have been combinations into
23 two-bedrooms and a few rare three bedrooms, as people
24 decided to have families there.

25

2 I live with my wife and our two daughters who
3 have only known this building as their home. I also
4 live with my mom, 89 year old mom and who shares a
5 studio apartment with my mentally challenged older
6 brother is next door. There is a diversity of
7 culture, religious, economic and ethnic backgrounds
8 in our community. This diversity is united in that
9 we all want an affordable place to live. Even in the
10 spaces tight but we love New York City. Co-ops have
11 been a long term affordable sustainable housing for
12 New Yorkers, for those who downsize when they get
13 older, and on more fixed incomes, such as my mom or a
14 starting point for somebody homeless such as myself.
15 I cannot understand why this Council is so intent on
16 taunting such an important class owners in the city.

17 We are a nonprofit corporation that provides
18 affordable housing for many. What metrics are you
19 using the blanket coverage target all the resident
20 class, the co-ops? I'm trying to distinguish between
21 fact and fiction. Are you working with fictitious
22 cases then talk about the exceptions?

23 Fact, in the 28 years I've been on the co-op
24 board, I can count on one hand how many cases we
25 rejected. Of the 325 or so, we rejected 5. Fact,

2 given our nature of the community, we have lack of
3 volunteers. Why have we been on the board so long?
4 Because nobody wants to volunteer their time to serve
5 the community. It's not a specific time that we
6 spent, there's a lot of cost. Any decisions we make,
7 we run through Council, that adds to cost. Any
8 documentation we need to have property management
9 involved, that costs. We're [INAUDIBLE 02:48:05]
10 with increased local laws and real estate taxes that
11 are increasing our maintenance and assessments. So,
12 ultimately think about this. If the co-ops fail the
13 city -

14 CHAIRPERSON SANCHEZ: You may conclude.

15 Remember, I have to tell you that you can conclude.
16 You may conclude.

17 WILL KWAN: Ultimately if these co-ops fail,
18 there will be a tremendous impact to the overall
19 financial health of New York City. Do the right
20 thing. Get your facts straight and do not base it on
21 a fictitious use case, no exceptions. Thank you for
22 your time.

23 CHAIRPERSON SANCHEZ: Thank you.

24 TANIA ARIAS: Am I ready? Hi, thank you very
25 much Chairman Sanchez and the Committee for listening

2 to our voices. I had prepared a statement but I'm
3 going to speak straight from the heart. I'm in a
4 particularly interesting position because I have been
5 Board President of two different boards. I'm
6 presently board president at 45 Tutor City Place.
7 I'm also Chairman of the President Council Tutor City
8 Boards, which we represent over 5,000 people in my
9 district but I have also been a real estate broker,
10 associate real estate broker for 31 years in
11 Manhattan.

12 I have lived in co-ops every single year of my 45
13 years in New York City and I have served in as many
14 capacity as I can. I can tell you that as a board
15 president, just like my colleague here next door, I
16 can count on half of my hand, how many rejections we
17 have had and the rejections have been solely and only
18 on the basis of financial ability to meet the
19 requirements of the corporation.

20 We attempt to work with our applicants. In fact,
21 we go back to them with questions. Can you improve
22 this? In many cases, we even say you know is there
23 any way that you can give us escrow? If we were to
24 approve these three measures, which I strongly
25 oppose, you're really going to be tying the hands of

2 the boards to be able to make nuances and treat these
3 applicants on a case by case basis.

4 Trust me when I tell you that in my building of
5 403 units, we probably speak I don't know, 100
6 languages and I as a Hispanic woman has been able to
7 get through several boards from the upper east side
8 to the East Village, to Mid-Town and I have never
9 felt discriminated against. It's a basic, basic
10 formula of can you meet the requirements or can you
11 not? That's really what it is. Thank you.

12 CHAIRPERSON SANCHEZ: Thank you and plus points
13 on time. Public Advocate Williams followed by
14 Council Member Brewer.

15 PUBLIC ADVOCATE WILLIAMS: Thank you so much
16 Madam Chair. Thank you all for your testimony. I
17 waited until I can make sure I'm listening to what
18 you're saying. I really want to and we've spoken. I
19 spoke with some of you on this issue. I want to
20 figure out what the actual concern is because I've
21 heard different ones. Now, the timeframe one I think
22 is the easiest one because I can't speak for the
23 Majority Leader, I don't know if she's here. I would
24 bet money if for her bill, the timeframe was the only
25 issue. She would be willing to work out a timeframe

2 that makes more sense. I can't speak for her but
3 that would be my guess. And for mine, I already can
4 see that the five days may not be the right number,
5 so we should figure out what number kind of works
6 best. So, I'm going to get to the meat of the issue.
7 For 407, what keeps coming up is the you know perjury
8 and liabilities. As I mentioned to Mr. Gurian, there
9 are already liabilities. So, is it that you believe
10 this is adding more that doesn't exist or is it
11 you're saying there's more opportunities for someone
12 to avail themselves of what already exists because of
13 providing more information.

14 Because from my point of view, I don't see it as
15 adding. I think these liabilities already exist by
16 virtue of the job. It's just that people have not
17 been able to avail themselves of it because they can't
18 say or they don't feel that they have the ability to
19 say whether they'd be discriminated against. So,
20 you're already liable for this, so I don't think it's
21 creating more. So, if you could just help me
22 understand if you think it's creating something or
23 it's just allowing more opportunities.

24 TANIA ARIAS: Well, it says it right there in the
25 law under the threat of perjury and the liability and

2 we already have every single co-op has a law firm
3 behind it. We are constantly checking in with our
4 attorneys and believe you me when I tell you that
5 they do not cut us any slack. They're very, very
6 strict about how we proceed with all of the things
7 that we decide on.

8 PUBLIC ADVOCATE WILLIAMS: So, my understanding
9 is you probably can't perjury yourself now with this
10 kind of - the way the application process is, so this
11 is what I'm saying, I think it's in the law that you
12 can't do it now but I also wanted to ask, is the
13 biggest concern the punishment for not doing it or
14 the fact that you're going to do it anyway? The fact
15 that we're saying -

16 TANIA ARIAS: It's a combination of both because
17 you're adding additional cost, time and trouble for
18 people who basically have full time jobs.

19 PUBLIC ADVOCATE WILLIAMS: For my bill, I just
20 want to understand what the time is. 407, if you've
21 made a decision that this person should not - you're
22 not accepting their bid or however you want to phrase
23 it. That's already decided. So, what is the actual
24 time of providing that information to the perspective
25 buyer and the applicant?

2 TANIA ARIAS: Thanks. Thank you for the
3 question. So, the extra time is in writing, the list
4 of reasons based on the specific documents in which
5 you are citing the reasons in such a way so it's not
6 to incriminate the board, not for discrimination
7 purposes but because there are other items where the
8 board might reject where it could then gender a
9 lawsuit having nothing to do with discrimination.
10 So, any rejection notice based on Intro. 407 would
11 need to go before a Council and be thoroughly checked
12 prior to being released and they could open board
13 members to liability. Currently there is no threat
14 of perjury. The law requires an individual board
15 member to sign on behalf of everyone on the board
16 saying that these were the only reasons that were
17 considered in making the decision. It is impossible
18 really for one person to know what is in everyone
19 else's minds, what they do. So, that individual
20 board member who is signing the certification under
21 penalty of perjury is taking on individual criminal
22 you know potentially criminal problems, liability.

23 PUBLIC ADVOCATE WILLIAMS: I'm assuming I don't
24 have 2 hours and 14 minutes to ask a question.

25 CHAIRPERSON SANCHEZ: Uhm, no please.

2 PUBLIC ADVOCATE WILLIAMS: So, the second perjury
3 part, like I'm willing to try to figure out, it has
4 to enforceable. So, I want to figure out how we word
5 that in a way that it really isn't capsulated with
6 the liabilities you already have. So, I'm not - I am
7 not trying to add additional. I'm trying to make it
8 enforceable but I would assume you can't lie about
9 certain things and you have to be honest about what
10 you're saying but the first part does trouble me
11 because you should be having those conversations
12 amongst yourselves anyway. And so, the decisions
13 that you are making, you should already be discussing
14 why and it should not be for reasons of
15 discrimination. So, if we have those reasons, we
16 should be able to provide them to someone.

17 JOHN CURTIS: If I may sir? Thank you. Uhm, I
18 think a fundamental issue is if in fact as your
19 attorney emphasized in his testimony, it ultimately
20 would be the liability of the corporation then the
21 statement should be made by the corporation and not
22 by an individual member of the board, number one.

23 Number two, rather than stating each and every
24 reason, there out to be a provision in my view that
25 you state the primary reason. The primary reason,

2 which nine times out of ten, nine times out of ten
3 will be financial. There may be, we had an applicant
4 once who said, "I want to be a member of this co-op
5 because then my rent will never be raised." And we
6 said "well, do you really understand what living in a
7 co-op amounts to?" "That you're going to have to pay
8 the bills going forward and yes, your rents going to
9 be raised and a lot and you may be assessed."

10 So, there may be applicants who just don't kind
11 of understand what the deal is and you may have to
12 say to them, we don't think you're really prepared to
13 be a member of this co-op. So, and/or there could be
14 people who have had a history of being very, very
15 difficult tenants in the past. Uh, you know wasps
16 who you don't want in your building because they're
17 just difficult to live with. So, I mean, you should
18 be able - I have sympathy with the idea that the
19 board should be able to make an overall statement.
20 We reject it for financial reasons. We don't believe
21 you understand the obligation of living in a co-op.
22 Some simple primary statement might be something that
23 could be accepted but the idea that one individual
24 signs for everybody as to every reason that everybody
25 had is a very, very difficult thing to deal with.

2 PUBLIC ADVOCATE WILLIAMS: Let me just give a
3 closing because I know I'm out of time. So, I'm
4 going to take the feedback that you said. If there's
5 any other ideas - I think a version of this bill has
6 to pass so if there's any other ideas, I'd love to
7 hear it. I do think the two things are, there has to
8 be a reason and it has to be enforceable. So, I'm
9 going to look at what you just mentioned about the
10 corporation and about the primary reasons and try to
11 see what we can tweak here and there. Uhm, but you
12 know I think there are simply we just don't want to
13 do it and we have to really get something through and
14 I wish the Majority Leader was here to talk about her
15 bill. I think the timeframe issue is one that we can
16 work out, assuming that the objection is just that we
17 don't want to do it to begin with. Thank you.

18 CHAIRPERSON SANCHEZ: Thank you. You may respond
19 briefly but we do have other questions from
20 colleagues.

21 TANIA ARIAS: Really, really fast. Uhm, just so
22 you know I mentioned before that I had been a real
23 estate broker for 31 years. In my 31 years as a real
24 estate broker and you can check me on this. I have
25 had literally one, one case that was evident that it

2 was discrimination and I was able to turn that
3 decision around in 20 minutes because I had all of my
4 facts. But in the 31 years that I have been in real
5 estate, I can tell you that a great responsibility of
6 putting someone in front of a board lies on the
7 broker that does that. And there is no reason for
8 you to be putting someone in front of a board that
9 you are clearly have not prepared or have not
10 understood the financial position of that person.
11 So, there are several steps and the other thing that
12 I will tell you is that the industry will tell you
13 that it's only three to five percent of rejections
14 and in my case, I have a 98.9 percent approval rating
15 for all of my applications.

16 CHAIRPERSON SANCHEZ: So, I'm going to hire you
17 as my realtor.

18 TANIA ARIAS: Yes, you can. [INAUDIBLE 02:59:53]

19 CHAIRPERSON SANCHEZ: Hmm, no, well maybe after
20 this is no longer before us. Okay, uhm, thank you.
21 So, I'm going to turn to Council Member Dinowitz and
22 then Council Member Brewer.

23 COUNCIL MEMBER DINOWITZ: Thank you. A similar
24 question that I had for the Administration and for
25 the previous person testifying, I mean you gave your

2 number. Mr. Kwan, you gave 5, you said 5 out of 325.

3 It's like a 1.5 percent rejection rate more or less.

4 Is there any data, aggregate data to say how many
5 applications there have been and how many rejections
6 there have been? Do you collect that data Ms.

7 Rothman?

8 MARY ANN ROTHMAN: As an organization, we don't
9 collect the data. However, I have lived in 167 unit
10 co-op for 56 years since it turned co-op. I served
11 on the board 23 of those years.

12 COUNCIL MEMBER BREWER: I know the address on the
13 apartment.

14 MARY ANN ROTHMAN: And participated in exactly
15 one rejection in those 20 years of board service. We
16 had in a typical year; 5 to 8 apartments would turn
17 over.

18 COUNCIL MEMBER DINOWITZ: And do you think that
19 that sort of data would help us in this conversation
20 knowing what the rejection rate actually is to see
21 the numbers we're talking about?

22 TANIA ARIAS: We would love the data. What I
23 have been hearing over the last two or three hours is
24 that there is no data. It just seems to be problem
25 that has been magnified over very little data. I'm a

2 mathematician by trade. I have a master's in
3 economics.

4 COUNCIL MEMBER DINOWITZ: Oh, I'm just a normal
5 math nerd but please.

6 TANIA ARIAS: Yeah, I'm a math nerd and I like to
7 see numbers. I like to see the data. I would like
8 to - the industry will tell you if you look - search
9 through the industry, it's 3 to 5 percent that gets
10 rejected and 99 percent and my colleagues can
11 confirm, it's really financial. It's debt to income,
12 left over liquidity, your credit rating, and your
13 work history basically. I mean my building is
14 completely diverse and it's all based on financials.

15 WILL KWAN: So, basically the question is, we
16 need to make sure that candidates are qualified. The
17 rejection rate, the financial requirements, we
18 changed our requirement from 20 percent to 25 percent
19 down and we weathered the financial crisis, okay. We
20 basically make sure because if you don't pay your
21 maintenance, guess what in the co-op? We have to
22 work on a balanced budget because our mortgage
23 company requires us to operate on a balanced budget.
24 So, everything that has to be covered, so the entire
25 community picks up for any arrears.

2 So, we need to make sure -

3 COUNCIL MEMBER DINOWITZ: So, I have two and a
4 half minutes left. So, I don't mean to cut you off
5 but you know it sounds like based on what I'm
6 hearing, we're all in agreement that this is data
7 that should be available that maybe the co-ops should
8 be sharing this who can begin to have these
9 conversations and ask ourselves, like is this a
10 widespread problem or are we addressing you know
11 discrimination, which is a huge, a big problem but
12 are they individual? Are they systemic? I mean
13 these are questions we can answer with data.

14 My second question relates to the Administrative
15 costs and burdens. Have any of your law firms that
16 you contract or your managing companies provided you
17 an estimate to how much your costs would increase or
18 your insurance costs to an increase as a result of
19 legislation like this?

20 TAMIA ARIAS: Not yet.

21 COUNCIL MEMBER DINOWITZ: Have they indicated to
22 you in any way shape or form that cost would go up?

23 WILL KWAN: I think in general, insurance costs
24 are going up, so basically -

2 COUNCIL MEMBER DINOWITZ: They are going up as a
3 result of this legislation? I just want to be -

4 WILL KWAN: All the legislation is hitting,
5 compounding, hitting the co-ops and condo's combined.
6 Like I mentioned, the local laws, all the
7 legislations are choking the life out of the co-ops.

8 COUNCIL MEMBER DINOWITZ: And there are other
9 reasons insurance rates are going up that are outside
10 of the Local Law, just to be clear but the question
11 is, have your managing agents or the insurance
12 companies or your legal teams advise you that the
13 rates will increase as a result of this legislation?

14 REBECCA POOLE: Yes, yes, and we can get the
15 numbers for you. Not right now but we can forward
16 the numbers to you.

17 COUNCIL MEMBER DINOWITZ: I appreciate that.

18 TANIA ARIAS: The thing is that since it hasn't
19 been passed yet, I try to keep my legal fees to a
20 minimum because it runs in the hundreds of thousands
21 of dollars. I only call Jay when I have to.

22 COUNCIL MEMBER DINOWITZ: Okay.

23 TANIA ARAIS: And I could tell you; it's a big
24 nut.

25

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2 COUNCIL MEMBER DINOWITZ: I think something that
3 would be helpful is one, starting the conversations
4 around you know data sharing, around the acceptance
5 and rejection but importantly, any co-ops, not just
6 those on this panel but anyone watching today's
7 riveting hearing. You know just ask, "hey, how much
8 would our costs go up as a result specifically of
9 407?" So, we can continue to have the conversations.
10 Yeah.

11 REBECCA POOLE: We have a board meeting on
12 Thursday.

13 MARY ANN ROTHMAN: It's hard to quantify Council
14 Member but we would clearly be buying more legal
15 hours of our attorneys time.

16 COUNCIL MEMBER DINOWITZ: Well, that's with the
17 estimate, yeah. But uhm -

18 MARY ANN ROTHMAN: I don't know, \$450 an hour,
19 three hours per case but what's been happening with
20 insurance the last several years is the insurance
21 companies are more and more risk conscious, more and
22 more aggressive in their evaluation of risk and this
23 would be one more big piece of risk.

24 COUNCIL MEMBER DINOWITZ: Thank you. Thank you
25 Chair.

2 CHAIRPERSON SANCHEZ: Thank you Council Member
3 Dinowitz. And I just want to like, just a point, a
4 personal note of my own is, I, my first apartment
5 that I owned was in a co-op and just Mr. Wade, you're
6 a saint. You're a saint, our president who has been
7 the president for many years. He's just a saint.
8 Uhm but I think you know when I think of Mr. Wade and
9 when I hear all of you right? You are not the actors
10 that we are worried about because you are the good
11 folks and I know Mary Ann, we've had conversations in
12 the lead up to this hearing months ago. It's been a
13 long time this year and it's been a long time coming
14 since the 2017 hearing and I just want to reemphasize
15 something that the Public Advocate said earlier is
16 just you know we are most interested in feedback
17 right? We are most interested in - you are already
18 responding to everyone you said John, right? You
19 said you're already responding to everyone.

20 Share with us how long it's taking you and lets
21 have inform you know what the response amount should
22 be because it's not you that we're concerned about,
23 it's those that do the ghosting that don't respond.

24 And so, that goes for everything else and I just
25 want to you know publicly take the moment to thank

2 you for your ongoing engagement on this overtime.
3 Council Member Brewer.

4 COUNCIL MEMBER BREWER: I certainly want to echo
5 the thank you and I know when you spoke at the
6 beginning, I was with a press conference with the
7 Mayor, so I couldn't be here earlier but I listened
8 on my cellphone and you said that you would like
9 feedback, that this is important. So, I just want to
10 emphasize that. I do not support these bills as they
11 are written now but I do think that if there is input
12 from you, extensive, that there may be some common
13 ground.

14 One issue I have is I have hundreds of friends
15 who are in co-ops and members who are Chairs. Let me
16 tell you, just like you sir, they cannot leave
17 because nobody will take that job and so, I am
18 concerned about you know that issue. That's a real
19 issue and these are the most progressive people I
20 know who are against these bills in this current form
21 because they feel as you do that nobody will take the
22 job and that there will be increased liability etc..

23 So, I guess, my question quickly to anybody is,
24 am I right about this issue of people not wanting to
25 be Chairs? And I am concerned because I do get some

2 complaints, not a lot. Mostly from to be honest
3 HDFC's which I know you also cover and Mitchell
4 Lama's where there's problems with the board. Not so
5 many on the nonprofits and the privates, however, the
6 issue of going on a board, you really want good
7 members. You do not want people there who are there
8 for their personal advancement or whatever issue that
9 they have. A lot of people who care about the co-op
10 as a whole.

11 So, my question really is unless I'm wrong. Is
12 it true that this would challenge good board members
13 from being on the board and if so, how?

14 WILL KWAN: I'll speak to that because I
15 mentioned that before. So, as I said, because 20
16 years, even four year I didn't live there. I sublet
17 it when I got married. I have to stay on the board
18 because no one was served and Mr. Williams is gone.
19 He said a job. It's not a job; it's a role that we
20 volunteer for because we want to see the improvements
21 in our community. We want to have a say in how we
22 run our community and so yes, if there's - in terms
23 of liability, you talk about just the corporation,
24 when you sue, you don't just sue the corporation, you
25 sue everybody.

2 So, the board members we listed, I have to have
3 personal access liability because I'm on the board,
4 that I pay for personally. Even if the board covers
5 the directors in offices, I want to make sure that we
6 are covered. It's a liable role, so yes it will be a
7 hard sell to get people to volunteer, to join as
8 well.

9 TANIA ARIAS: Ms. Brewer, I had a really hell of
10 a time trying to get somebody to fill out a vacant
11 place on my board and I will tell you part of the
12 reason is and I agree with you 100 percent if there's
13 anything that we should probably have is some sort of
14 minimum guidelines for the people who are going to be
15 on the board. You should have some background in
16 finance. Some background in engineering. Some
17 background in law. It can't be just a popular thing.
18 You know, "oh I have nothing else to do, I'm going to
19 get on a board."

20 This is like running a city. You're basically
21 running a city and you have budgets and you have uh,
22 you know unions to deal with and this is not for the
23 faint of heart. I don't know how many people I have
24 reached out to last year trying to get them to fill
25 in a vacant seat and no one would go in it. Part of

2 it is the fact that I'm not touting my own horn but I
3 run a very tight ship. We get applications via
4 domicile. You know what domicile is? It's that and
5 I insist on my board members responding to those
6 applications within the week. So, if they haven't
7 responded within a week, I start sending out emails.
8 This is pending, this is pending and so, it's a full
9 time job. I mean, I'm a real estate broker. I have
10 some flexibility in my schedule but for people who
11 are attorneys or architects, it's very tough and you
12 have meetings and you have board applications and
13 interviews.

14 COUNCIL MEMBER BREWER: So how would any, maybe I
15 guess we're mostly talking about 407 but how would
16 these bills impact those who want to serve on the
17 board? Is there a way of figuring out how to pass
18 some form of this that would not increase peoples non
19 interest because obviously, there's not a lot of
20 interest now and we don't want to make - I don't want
21 to make it worse.

22 It would be, they would see it as a higher risk
23 because now you're talking about you know threat of
24 perjury and it's a criminal offense. So, I have to
25 tell you I've been on boards from the East Village to

2 the Upper East Side. Most people want to have a
3 diverse building. They just want a safe building
4 because if you're not paying your maintenance and
5 there's a high percentage of arrears, the banks will
6 not like it. The banks will not lend to you. The
7 attorneys won't like it. They will advise their
8 clients against buying in the building. So, there
9 are serious implications to you not being able to
10 meet that financial obligation. So, that's basically
11 what it is.

12 MARY ANN ROTHMAN: I think all three bills but
13 especially for 07 will have an outsized impact on co-
14 ops and condos, co-ops and participation on boards
15 and as Tania stated, there are other considerations
16 beyond just the liability on board members, not being
17 able to ensure that new purchasers can meet the
18 financial requirements of a building can have
19 detrimental effect on every single person living in
20 there. The existing homeowners and they're rarely
21 given consideration in this conversation but they are
22 the reason for the admissions policies.

23 COUNCIL MEMBER BREWER: Okay, alright thank you.
24 So, all I'm saying is please participate in ongoing
25 discussions because I can tell you knowing what's

2 going on that some of this material may pass. I'm
3 just saying, I'm telling you, so the question would
4 be as much input and then see how it flies. Thank
5 you.

6 CHAIRPERSON SANCHEZ: Thank you Council Member
7 Brewer and thank you to this panel. Thank you. We
8 will stay in touch.

9 Okay, next up, I'm going to call; I think you
10 already know but Mike Kelly, Zoila Alonzo, Jessica
11 Adke-Elmazi, Yvette Clark Watkins and Crystal
12 Hawkins-Syska. And whoever is ready can begin as
13 soon as they would like.

14 MICHEAL KELLY: Good afternoon, yeah, we're
15 definitely in the afternoon. Good afternoon Chair
16 Sanchez, Council Members, Public Advocate, I don't
17 think is here anymore. My name is Michael Kelly. I
18 am the Vice President and Director of Government
19 Affairs for the New York State Association of
20 Realtors.

21 We are a 61,000 member real estate trade
22 organization with members across the entire state.
23 I'm going to direct my comments today primarily on
24 and I have some notes but I probably wont refer to
25 them. Primarily on trying to clear up I think some

2 misunderstanding about the legislation before you
3 today. So, specifically on 1120, I want to be
4 really, really clear about what this bill does and
5 doesn't do. So, let's start at the beginning. Uhm,
6 the bill would require cooperatives to provide all
7 applicants to that co-op board the same application.
8 That's it.

9 The bill then would require the cooperative to
10 respond to an application within a ten day window
11 with a response and this is the significant change
12 from current practice today because this does not
13 happen as I understand it. The board would then have
14 to provide that respective applicant with their
15 response, whether their application or complete or
16 incomplete and if it's incomplete, how is that
17 application incomplete?

18 Importantly, the time for the co-op board to take
19 action on that application, does not begin until the
20 board has received a completed application and that's
21 I think important to note. Once the board has
22 received all the information they need to take up
23 that application, they then have a 45 day window to
24 respond to that applicant. If the board needs more
25 time beyond that 45 days, it automatically per the

2 legislation has the right to a 14 day extension.

3 Beyond that, the board and the applicant, if they
4 decide their working together to reach the agreement
5 and get all the information they need, that the board
6 needs to take up that application, they can come to
7 an agreement to extend it even further.

8 CHAIRPERSON SANCHEZ: Thank you.

9 MICHAEL KELLY: Thank you.

10 CHAIRPERSON SANCHEZ: I'll ask some clarifying
11 questions at the end.

12 MICHAEL KELLY: Of course, thank you.

13 ZOILA ALONZO: Thank you. Good afternoon Chair
14 Sanchez and members of New York City Council
15 Committee on Housing and Buildings. My name is Zoila
16 Alonzo and I am a realtor and licensed real estate
17 broker based in Jackson Heights Queens. I am here to
18 speak on behalf of the New York State Association of
19 Realtors, a 60,000 member statewide real estate trade
20 organization. NYSAR is fully supportive of Intro.
21 Number 1120-A by Council Member Farias and the three
22 bills on today's hearing calendar. We believe Intro.
23 1120-A offers the clearest path forward to address
24 the lack of transparency in the process of purchase,
25 a co-op apartment in New York City.

2 Countless stories have been told regarding how
3 the lack of the response and endures nature of
4 practices by some cooperative housing boards, have
5 harmed potential buyers and sellers in our great
6 city.

7 As a realtor, I have witnessed first hand how the
8 lack of a requirement for boards to respond to an
9 applicant has harmed New Yorkers. This loophole
10 allows co-op boards that don't want certain people in
11 their building to simply not consider an application,
12 leaving otherwise qualified applicants in the dark
13 indefinitely.

14 Intro. 1120 also better serves consumers who is
15 lawfully declined, can move on with their housing
16 search. Having a co-op board sit on an application
17 for several months, puts homebuyers at a distant
18 disadvantage as they face potential mortgage rate
19 expirations and loss of application fees.

20 While NYSAR also supports Intro. 407, we are
21 concerned that the lack of a timeline component
22 within or in conjunction with that legislation will
23 simply permit unscrupulous boards that wish to
24 illegally discriminate against an applicant to simply
25 sit on an application.

2 We are supportive of requiring boards to provide
3 a written reason for denial although we believe
4 Intro. 407 is flawed in its current form and while we
5 agree with Intro. 407's intent.

6 CHAIRPERSON SANCHEZ: Alright, please conclude.

7 ZOILA ALONZO: To combat illegal discrimination,
8 we hope you recognize that imposing fines on co-op
9 boards does nothing to provide access to housing.

10 In conclusion, NYSAR encourages this Committee to
11 advance Intro. 1120 and seeks its passage before the
12 full City Council. I appreciate the opportunity to
13 testify and thank you for holding this important
14 hearing. Thank you.

15 CHAIRPERSON SANCHEZ: Thank you.

16 JESSICA ADKE-ELMAZI: Good afternoon everyone.
17 My name is Jessica; I am a broker specializing in co-
18 ops for over 24 years, averaging 100, 150 co-op
19 transactions per year, I can say with confidence that
20 co-ops effected by this bill are going to be the
21 exception and not the rule.

22 It is important to humanize the issue for both
23 the applicant and the co-op and as the co-op is a
24 community of shareholders, whose largest asset is
25 often their home, their caution is understandable.

2 One problematic applicant can cost the shareholders a
3 significant amount of money and disrupt quality of
4 life. But evidence from nearby counties to the north
5 of the city for over six years and to the east of the
6 city for over ten, shows that without the success of
7 transparency bills and reason bills without lawsuits.

8 When it comes to denials, I can say with my own
9 experience that a majority stem from the realtors,
10 buyers and attorneys, not doing due diligence to
11 ensure that the applicant meets the posted financial
12 requirements when the co-op has those requirements
13 posted.

14 As a listing agent, I flag roughly 40 percent of
15 the offers is not meeting co-op requirements and
16 those offers are turned away before they can even
17 reach the board. Where clearer standards and better
18 communications can benefit everyone. When it comes
19 to timeline, the average co-op transaction takes 75
20 to 115 days, yet in the past year alone, I've seen
21 transactions take 6 to 12 months from contract to
22 close, leaving the seller and the buyer financially
23 and emotionally stuck. Reasonable timelines paired
24 with transparent decisions benefit everyone involved.

2 Again, delays are the exception and not the rule
3 but when they have been, they could be costly and
4 devastating. The co-ops don't - there are co-ops
5 that don't even allow contracts to be sent out until
6 the preboard approval happens. That means there's a
7 preliminary application before you can actually do
8 your board application and sometimes you can be
9 waiting one to four weeks for preliminary approval
10 and then send out a contract to wait another three to
11 four months.

12 A point of clarity that somethings that had been
13 said earlier that a seller accepts an offer and an
14 application -

15 CHAIRPERSON SANCHEZ: Please conclude.

16 JESSICA ADKE-ELMAZI: Thank you. An application
17 can be processed only one at a time so I think there
18 was some misunderstanding about a reference of a cash
19 transaction supplementing over a mortgage that's
20 incorrect. When you go into contract, you can only
21 proceed to the board application with that one
22 transaction. So, we're not floating multiple
23 contracts with different terms. Uhm, also Council
24 Member Dinowitz, there was a point that you had made
25 earlier that I jotted down. Issuing an approval or a

2 declination letter is not burdensome to the board as
3 it's required in order to get to the next stage. An
4 approval letter or a declination letter is needed to
5 go to closing.

6 So, what we are finding in areas that do have
7 these transparency bills and in fact, it's just a
8 checklist approved or if denied, the checklist is
9 checked off and that's pretty much it. The other
10 thing to keep in mind because we need to humanize
11 this for not only the buyers, the sellers and the
12 existing shareholders. Uhm, I understand that
13 concerns about proposed and maximum fees but any
14 potential penalties is far less costly than a class
15 action lawsuit brought against a co-op by a bad
16 actor. And I can tell you as someone that
17 specializes in this line of work that that is really
18 not - that is the exception, not the rule. So,
19 there's a lot of co-op members coming up here talking
20 about how they're doing it and we're thankful and
21 appreciative that they are doing it that way but
22 there are a few bad apples and it's not doing them
23 any service. Thank you.

24 CHAIRPERSON SANCHEZ: Thank you.

2 YVETTE CLARK WATKINS: Hi, good afternoon. Good
3 afternoon Chair Sanchez and Council Members serving
4 on the Housing and Buildings Committee. My name is
5 Yvette Clark Watkins and I'm speaking to you all
6 today on behalf of the Long Island Board of Realtors.
7 A 27,000 member trade association for real estate
8 professionals from Queens, Nassau and Suffolk County,
9 which I am proud to call myself the secretary
10 treasurer and president elect.

11 I wear a mini hat as a realtor but also as a
12 mother of twins in college. I am active in my
13 community in Addisleigh Park Queens. Realtors across
14 Queens are strongly in favor of Council Member
15 Farias's Intro. Number 1120-A. a key step forward to
16 bring much needed transparency to New York City's co-
17 op market.

18 This is not really about realtors and the
19 application packages we put together for our clients.
20 This is about the buyers and sellers we serve and the
21 families and households with dreams that are put on
22 hold whenever a transaction is delayed because the
23 co-op board has not acted in good faith. With no
24 current requirement for boards to respond, so an
25 application in a timely manner, New Yorkers are

2 placed in a higher risk of falling into financial
3 limbo than their suburban neighbors. Deals with
4 dreams fall apart but also this does also - excuse
5 me. This would not happen if we had timelines.

6 We have all shared with our colleagues stories of
7 our problem co-op boards. Of clients who get the
8 runaround and will always have to wonder, did they
9 not get into the co-op because of their credit score
10 or was it because of who they are? Currently, when a
11 co-op board does not want certain people to live in
12 their building, they simply do not respond. With all
13 that New York City has worked on to better address
14 fair housing, it is simply bad for business that most
15 of all, bad for New Yorkers that we allow this co-op
16 loophole to persist.

17 Intro. 1120 is not asking for not asking for our
18 clients to be accepted in a development where they
19 cannot afford to live. A responsible realtor is
20 focused on helping clients find a place.

21 CHAIRPERSON SANCHEZ: You may conclude.

22 YVETTE CLARK WATKINS: Thank you. Where they
23 belong based on both their finances and personal
24 desires. Our clients, your own constituents deserve

2 better fairness and to know when to move on with
3 their search for another home.

4 While the Long Island Board of Realtor also
5 supports Intro. 407, the issue remains a well-
6 financed co-op board may still sit on an otherwise
7 qualified applicant as a backdoor form of
8 discrimination. Fines are a useful tool in the right
9 circumstance but they still will not provide
10 consumers with fair access to housing.

11 As a professional realtor and leader in LI Board,
12 I speak for my members when I implore this Committee
13 to advance Intro. uhm, excuse me, 1120 and seek its
14 passage before the full Council. I appreciate this
15 opportunity to testify before you today. Thank you.

16 CHAIRPERSON SANCHEZ: Thank you.

17 CRYSTAL HAWKINS-SYSKA: Good afternoon. Thank
18 you so much Chair Sanchez and the distinguished
19 members of the Council. My name is Crystal Hawkins-
20 Syska and I am with the Hudson Gateway Association of
21 Realtors. We cover the lower Hudson Valley, which is
22 Rockland, West Chester, Putnam, Dutchess, the Bronx
23 and Manhattan. I'm originally from the Bronx, from
24 the Fordham section, yeah that's right and I

2 currently do live in West Chester County and cover
3 the Bronx for real estate transactions.

4 I actually sat on a Committee that helped advance
5 this similar legislation in West Chester County and
6 many of the same arguments were made there and I can
7 tell you unequivocally that the results for the
8 public and for the shareholders were resoundingly in
9 the favor of all, as opposed to the fears that being
10 laid. The same fears were laid there and I could
11 tell you that they came to be not.

12 I'm a full time real estate agent, which I think
13 it is important because the average realtor does
14 somewhere between four and five transactions and
15 everybody here is really a practitioner. My team
16 does about 50 or so transactions a year with about 20
17 percent of those being co-op transactions.

18 So, we do have a high level of understanding
19 about how this works and I'm here to support Intro.
20 1120 as a positive step in the right direction
21 because it is true, cooperative housing plays a
22 critical role in New York's homeownership landscape
23 and ensuring that perspective buyers have access to
24 clear, accurate, timely information about a buildings
25 financial health and governance, strengthens consumer

2 confidence and supports the long term stability of
3 the cooperative model.

4 You know having worked in real estate for many
5 years, I've seen first hand how a lack of uniformed
6 standards and transparencies in some cooperative
7 application and the review process creates
8 opportunity for inconsistent treatment.

9 CHAIRPERSON SANCHEZ: You may conclude.

10 CRYSTAL HAWKINS-SYSKA: And at time,
11 discriminatory outcomes. While many boards do act in
12 good faith, there are opaque practices. Like it was
13 spoken here an unclear criteria that can allow
14 buyers, whether intentional or unintentional and can
15 influence the decisions.

16 So, the Hudson Gateway Association of Realtors
17 looks forward to continuing to work with policy
18 makers to ensure transparency measures strengthen
19 cooperative housing and to preserve role as
20 accessible and stable and the thing is - is feelings
21 aren't facts and data is important and one of the
22 things that we were able to do is provide for the
23 West Chester County legislators actual data because
24 those who shared that it's like three to five, eight
25 percent through our endless transactions, we were

2 able to show that somewhere between ten to twelve
3 percent were being rejected and we could actually
4 drill it down to certain buildings, where it was like
5 fifteen to sixteen percent rejection.

6 So, we are your frontline and we're looking to
7 collaborate to give you the information to make the
8 right decision for homeowners and shareholders alike
9 in New York City.

10 CHAIRPERSON SANCHEZ: Thank you. Thank you so
11 much. Before I turn to questions, I want to go to
12 Mike and see if you had anything that you wanted to
13 add about our understanding of Majority Leader
14 Farias's bill.

15 MICHAEL KELLY: Yeah, thank you. I appreciate
16 the opportunity. So, I just want to be clear, at the
17 end of the day, that clock on the 45 day timeframe
18 does not start until there's a completed application.
19 Beyond that, the board can ask for an extension. If
20 the applicant board meet and need more time, they can
21 both agree to do that and that's in the law. After
22 that timeframe is expired, the burden is upon the
23 applicant to raise their hand and essentially notify
24 the board that that 45 day timeframe is expired or
25 any extensions and then the board is put on notice

2 and they then had ten days to respond. And only and
3 if and only at that time, beyond that ten day window
4 again, the board has not responded and by the way,
5 let's be clear, it's not responding with a yes, it's
6 a responding with a yes or a no. So, we want to be
7 clear that we're not you know this legislation
8 doesn't require boards to say yes. Obviously, you
9 know we respect the ultimate right of the board to
10 decide what's best for their shareholders and their
11 fiduciary responsibility to them. Uhm, then the
12 board has to give them a response. If they don't
13 give them a response in that timeframe, they deem
14 consent of the sale and the injured party can go to a
15 court of jurisdiction. So, that's essentially how
16 the legislation works.

17 CHAIRPERSON SANCHEZ: Thank you. Thank you so
18 much for that. It's very helpful. So, I have a
19 couple of questions from the Majority Leader who had
20 to step away but I first just want to jump on one of
21 your last points Ms. Crystal about the data. So,
22 this information about the rate of declination, you
23 said in your data was ten to fifteen percent, much
24 higher than what we've heard earlier today.

2 So, do you have specific information about New
3 York City rate of declinations?

4 CRYSTAL HAWKINS-SYSPA: So, we will be interested
5 in collaborating with you on that because right now,
6 our data for Manhattan, like where I was speaking
7 about was West Chester specific. Our data for
8 Manhattan right now is uhm incomplete but we do have
9 a lot more data for the other boroughs, for Bronx and
10 definitely from Queens that we could start sharing.
11 To give you some context, what that looks like is,
12 when the property and of course, this is for
13 properties that are actually listed on the open
14 market. Like, I can't talk to you about what's going
15 on behind closed doors, like I don't know. But what
16 I can tell you is that if they're working with a real
17 estate agent and it goes into the multiple listing
18 service, we can see the days on market. Like, how
19 many times, how many times has it come off and gone
20 on, right?

21 You know, did it expire out right? And then they
22 have to relist. So, when you start collecting then
23 you're able to see patterns of rejections or ghosting
24 on deals. Like how long did it stay in contract?
25 Like, that's a big one and actually expire, right?

2 And did it actually even close because then we could
3 look at that. That is something that we'd be willing
4 to work with you to look at what it looks like.

5 CHAIRPERSON SANCHEZ: Yeah, I really appreciate
6 the use of ghosting in this professional setting. I
7 thought it was only in dating but that's really
8 helpful and would be helpful for the Committee to
9 consider.

10 This is a question for all of you and then I'll
11 go to the Majority Leader questions and then our
12 colleagues. Uhm, have you seen and if the answer is
13 yes, can you give us a sense of scale? Have you seen
14 the same board treat applicants inconsistently?

15 YVETTE CLARK WATKINS: Yes I have.

16 CHAIRPERSON SANCHEZ: And what are some examples
17 of how?

18 YVETTE CLARK WATKINS: So, there's a particular
19 building in Queens where we had a cisgendered female
20 applicant who presented in a masculine manner, I
21 guess you would say. And when she applied to that
22 board, she more than met the requirements that stated
23 for their debt to income ratio that they were looking
24 for at the time in income. And she was over half a
25 million annual for her income, single going into a

2 one bedroom and it took us four months to receive
3 rejection for her but of course without reason. We
4 applied to a different building nearby and you know
5 within the normal timeframe, she got into that
6 apartment.

7 Now, back to the original building, we had
8 another applicant who was interested in the same
9 apartment. When it came back on the market, we put
10 in the application cisgender male, lower income than
11 the initial applicant and they got in within the
12 normal timeframe. The acceptance was quick.

13 CHAIRPERSON SANCHEZ: That's helpful and if
14 anyone else wants to jump in with examples, those
15 will be helpful as well. I'm going to just ask a
16 couple of questions on behalf of the Majority Leader.

17 Uhm, well, I guess I stole her question but a
18 different version of it. Can you speak to the
19 challenges your clients have experienced, including
20 possible illegal discrimination, posting a no
21 response. What are some of the clues that your
22 client has been discrim- uh your clients were
23 discriminated against and if you have anecdotal
24 information or the association collects this
25 information, uhm are there reasons that you think

2 people don't come forward after they've been
3 discriminated against?

4 JESSICA ADKE-ELMAZI: Okay, so I think there is -
5 we have to remember that there is in the application
6 process, when you purchase an apartment or you're
7 attempting to purchase an apartment, there's a lot of
8 nonrefundable fees before you even get that board
9 interview and then when you get denied, and you're
10 maybe waiting one to three months to get denied,
11 there is not only the financial undertaking of going
12 down a route of trying to advocate for one self.
13 It's very difficult to find an attorney who will
14 advocate for you because they don't want to make an
15 enemy of the board, okay. And then on top of the
16 emotional drain of being locked in there, it's not
17 only the buyer, the perspective buyer, it's also the
18 seller. The seller selling, they need to go
19 somewhere. They don't know what's happening.
20 There's people that have been in situations. Again,
21 exception, not the rule. I just want to say that as
22 somebody that specializes in this but when it
23 happens, it's unfortunate and it shouldn't happen at
24 all.

2 So, you have these exceptions where you have
3 people just completely contractually highjacked
4 because they're under contract. They're extending
5 their loans because that comes at a fee. You have to
6 extend your rate. You keep extending. You can't get
7 a declination letter from the co-op and you can't get
8 an approval letter, you just get no response and you
9 can't get out of your contract because the seller's
10 attorney wants to hold your escrow.

11 So, it doesn't happen a lot but it happens enough
12 that there's - you have realtor members that are
13 actively in this line of work that are here putting
14 themselves out saying, we got to make sure this
15 doesn't continue.

16 CHAIRPERSON SANCHEZ: Thank you. That's very
17 helpful. Do you have as individuals or again as the
18 association - any of your associations. Do you have
19 the average amount of time that your clients must
20 wait for a response? What's the longest amount of
21 time that you've had? What's a typical response and
22 how do these timelines; I mean you've touched on this
23 but if there's anything you want to add on how these
24 timelines effect the sellers and the buyers.

2 JESSICA ADKE-ELMAZI: Typical response time is
3 usually going to be from the time you submit a board
4 application for you know these very high functioning
5 co-ops like most of them are. Anywhere from two
6 weeks to sixty days, it depends on when you submit
7 your board application and the cycle of their
8 interview but most co-ops allow for like a monthly
9 interview so whether you make that months interview,
10 you might not even get to the next month. I have had
11 co-ops not respond. We waited seven months for a
12 board interview.

13 That's again, people are highjacked and then you
14 can't get a response. Exception not the rule but it
15 happens.

16 CHAIRPERSON SANCHEZ: Thank you.

17 ZOILA ALONZO: I would like to just mention a
18 personal experience with one of my buyers, which was
19 very disheartening when we started the process, found
20 the building, submitted the application, checked all
21 the checklists, and it took probably over I want to
22 say 90 days to get even an acknowledgment and that
23 was just going back and forth with the attorney.
24 What's the response with the management company?
25 Then the lender letting us know that rates are going

2 to expire or the buyer kind of will get that
3 increase. And when we finally did get the
4 acknowledgement past the 90 days, then application,
5 nothing was missing. Still got rejected. Still got
6 denied, no reasoning and it kind of checked what the
7 building was requiring from credit score, reserves,
8 you know employment. So, that right there was where
9 it was really eye opening to see the timeframe and
10 also the rejection and the denial for no reasoning
11 when they should have probably been able to pass the
12 board.

13 CHAIRPERSON SANCHEZ: Thank you. Hmm, hmm.

14 YVETTE CLARK WATKINS: I know your last question
15 was, how come you're not seeing that many complaints.
16 Honestly to be frank, they're just trying to find
17 some place to live, right? So, usually as soon as
18 they receive their rejection, you still have the
19 process of getting the escrow funds released so we
20 can start hunting again. So, usually they're so
21 focused on that they're just happy to be in their
22 apartment and they've moved on with their life.

23 CHAIRPERSON SANCHEZ: Got it, thank you.

24 CRYSTAL HAWKINS-SYSKA: And you were also - I
25 think what I also heard you ask was about uhm

2 possible forms of discrimination that we've seen.

3 You know in my 22 years, I have seen a run of the

4 gambit. It does vary from building to building and

5 once again, I want to highlight, there are great co-

6 op buildings and I can tell you in West Chester

7 county, once the law was enacted, those buildings who

8 were great actors, their property values went up

9 because they stood out against those who were not

10 acting properly but I have seen it specifically in

11 the areas of age. So, uhm a lot of young buyers - I

12 don't know if you know but right now the average age

13 of any first time homebuyer is 40 years old, is where

14 we are right now. However, there are those who have

15 been successful who are under 30 and I have seen that

16 challenge and sometimes it comes out as they don't

17 have enough work history but they yet have income and

18 assets and some of them literally have funds from

19 their parents, so there's that right? Then also too,

20 one of the saddest spaces where I actually see a lot

21 is more of a hardship circumstance, which is when a

22 person who uhm is the heirs of a co-op. That is one

23 of the hardest and roughest situations is when the

24 family is trying to sell the co-op and then they have

2 to keep paying month after month of maintenance fees
3 and they cannot sell it.

4 In my career of having multiple properties that
5 have actually gone into foreclosure, trying to sell
6 because they've had repeated individuals, some of
7 them even paying cash that were rejected, right? And
8 I'm speaking into the New York City space and what I
9 can tell you is that with similar legislation like
10 this, that passed in West Chester County, one thing
11 that came out, which was not a discriminatory
12 practice based on any protected class, was how many
13 co-op boards were rejecting an applicant because they
14 didn't like the price? They didn't like - they felt
15 that it was selling for too low and then once in West
16 Chester, there was a reason and the checkbox reason
17 was sales price or value believed under market. We
18 were able to start recovering those deals. We were
19 going back. If there were higher sales in the
20 building, guess what? We raised the price of the
21 purchase price and put a sellers concession to make
22 room for any renovations that needed to the
23 apartment. So, in that case, the legislation caused
24 declinations to now become reversals because we match
25 what the board needed.

2 CHAIRPERSON SANCHEZ: Yeah, that's really
3 interesting and really helpful and you can do that
4 without the information being provided. For West
5 Chester, uhm I was exactly going to ask you just that
6 in the declinations that you analyzed in West
7 Chester, what were those reasons?

8 CRYSTAL HAWKINS-SYSKA: So, before the law, it
9 was uhm, uh a purchaser didn't qualify. It was very
10 generic. It didn't give any reasons. Now, since the
11 law we have It's like a checkbox. It could be like
12 one of like five or six answers. It could be assets
13 do not meet the threshold of the cooperative to the
14 credit score does not meet, also the value of the
15 property is insufficient or insufficient work history
16 or and in sometimes they put an asterisk because
17 sometimes it's because of how the letter was written.
18 So, literally we just go back and get you know the
19 employer to write it in a different way to actually
20 matches what the board needs but it's kind of
21 straight away on that and what I also want to share
22 with you is I really appreciated a lot of the board
23 members are volunteers right? And I want to speak to
24 this about engagement because I think we're all
25 volunteer leaders ourselves right, so this is an

2 epidemic that is across the board. This is not
3 germane or just specific to co-op boards in New York
4 City; it's across the board where people don't really
5 want to volunteer their time.

6 That being said, when you have clear processes
7 because we saw this in West Chester. When you have
8 clear definable rules and processes, you know when
9 you have to get things done. It actually changed the
10 makeup of the board because when people knew what was
11 expected in a very clear concise way, they actually
12 gave more of their time because they knew not a lot
13 of their time was going to be taken away, okay.

14 So, I think that's really important to know and
15 uhm, I hope that answers your question.

16 CHAIRPERSON SANCHEZ: Yeah, that's very helpful.
17 Thank you. This is my last one on behalf of the
18 Majority Leader is whether this bill should consider
19 any different flexibility for smaller co-op boards or
20 boards that don't meet in the summer. And then I'll
21 turn it over to my colleagues. Do you want to fight
22 to see who goes first? Okay, so Gale and then Erik.

23 MICHAEL KELLY: Yeah, I'd be happy to answer
24 that. Intro. 1120 specifically, we were grateful to
25 work with some of the larger co-ops in Queens and uh

2 and in Manhattan as well to hear their perspectives
3 on the legislation. This isn't knew. This
4 conversation about co-op transparency began in the
5 early 90's when at the time was New York State
6 Attorney General Robert Abrams had a departmental
7 bill submitted in Albany to address this exact same
8 issue, this timeline, this responsibility to provide
9 a response to an applicant.

10 So, we've been at this a really, really long
11 time, over 20 years engaged with state lawmakers,
12 city lawmakers, trying to find common ground and
13 really to make sure that we're putting in place
14 something that works in the real world, you know for
15 the boards as well.

16 So, part of that was hearing from the co-ops.
17 Intro. 1120 was amended several years ago to address
18 that summer month concern about boards not meeting.
19 So, there are extensions provided in the legislation
20 that allow for that where they don't have to adhere
21 to that 45 day timeline during the summer.

22 And the second thing is, we also heard the
23 concern that some smaller co-op boards honestly just
24 didn't have the bandwidth. They didn't meet as
25 often. Uhm, uh and so they are carved out. So, if

2 you're a co-op board of nine units or less, 1120
3 would not apply to you.

4 CHAIRPERSON SANCHEZ: Great, thank you so much.
5 Council Member Brewer.

6 COUNCIL MEMBER BREWER: My question is for
7 obviously I never go to West Chester. I don't know a
8 thing about the Island but my question is, does this
9 timeframe for 1120 match what you think is working in
10 your different jurisdictions? That's what my
11 question is.

12 In other words, I think when we heard the earlier
13 panel, there does seem to be consensus on some kind
14 of answer. Maybe the checkoff that you described but
15 some kind of answer and some kind of timeline but you
16 know there are other issues that people have concerns
17 about but that seemed to be generally accepted from
18 the earlier panel. So, I just didn't know how, like
19 is this the same in other jurisdictions.

20 YVETTE CLERK WATKINS: Well, uhm, I think the
21 reason why honestly it passed so easily in Suffolk
22 and Nassau, there are not a lot of co-ops there
23 right?

24 COUNCIL MEMBER BREWER: Mostly private houses,
25 yeah.

2 YVETTE CLERK WATKINS: Correct in primarily you
3 know low zone. So, single family; you don't have a
4 lot of multiples. So, we don't have the same data
5 set that West Chester does.

6 COUNCIL MEMBER BREWER: Okay, thank you that's
7 helpful.

8 CRYSTAL HAWKINS-SYSKA: So yes, the timeline was
9 extremely helpful. So, just like in New York City,
10 in West Chester County, co-ops are the default or
11 defacto affordable housing. This is a way to get
12 into homeownership especially in West Chester County.
13 Uhm, so before and like I remember when I first
14 started real estate, a co-op transaction was like at
15 least six months. Like on the ready and my longest
16 transaction was one year, two months, three weeks and
17 two days. Like I will never forget it, right that I
18 can tell you, right? But they were definitely
19 somewhere between like I would say even West Chester
20 is still like four to five months. That is half now
21 because if you're working with a good lender because
22 remember, the buyer has to go through the whole
23 process with the lender to get a commitment letter,
24 right?

2 Once they get the commitment letter, that's when
3 they could put in the application and in West
4 Chester, it's 15 days you put in your package.

5 COUNCIL MEMBER BREWER: Yes, I want to know.
6 What is the amount?

7 CRYSTAL HAWKINS-SYSKA: Yeah, so it's 15 days in
8 West Chester that you have for the board to or for
9 the management company to respond to either say it's
10 complete or you have to cure some defects. Then once
11 that goes in, they kind of get like another ten days
12 but I have to say, since this has gone on, they've
13 been a lot quicker. And then once the board package
14 is considered complete, it's 45 days and I can tell
15 you within the good actors, they are getting them
16 done in less than 30 days for certain.

17 So, the process is now only three months if not
18 less.

19 COUNCIL MEMBER BREWER: And I should know this
20 but in West Chester, there are more co-ops and they
21 are obviously on the island.

22 CRYSTAL HAWKINS-SYSKA: Yes.

23 COUNCIL MEMBER BREWER: People, I assume still
24 have houses and live in them.

2 CRYSTAL HAWKINS-SYSKA: Yes, yes. There's a
3 significant co-op -

4 COUNCIL MEMBER BREWER: Presence in West Chester
5 but not like the city but still.

6 CRYSTAL HAWKINS-SYSKA: Yeah right, not like the
7 city but we are close second is what we are.

8 COUNCIL MEMBER BREWER: Okay, thank you.

9 CHAIRPERSON SANCHEZ: Thank you.

10 JESSICA ADKE-ELMAZI: Respond to one thing you
11 had asked. I mean a standard co-op timeline just so
12 you understand in a contract, it's 45 days to get a
13 commitment and usually ten days thereafter to submit
14 your board application. So, that timeline is already
15 structured in our boiler plate contract. So, this
16 almost replicates it just to enforce it.

17 COUNCIL MEMBER BREWER: It's not the law but it
18 is the practice is what you're saying in New York
19 City?

20 JESSICA ADKE-ELMAZI: Correct.

21 COUNCIL MEMBER BREWER: Okay but there's no
22 penalty if people don't make it because there's no
23 law?

24 JESSICA ADKE-ELMAZI: Well, then they're in
25 breach of their contract.

2 COUNCIL MEMBER BREWER: Breach of contract, okay
3 thank you.

4 CHAIRPERSON SANCHEZ: Great, thank you Council
5 Member Brewer. Council Member Dinowitz.

6 COUNCIL MEMBER DINOWITZ: Thank you. Uhm, first
7 of all, you are welcome back in the Bronx anytime. I
8 think especially Fordham. Uhm, very sad to lose you
9 to worst Chester.

10 So, just to like a clarifying question, first of
11 all I think what Chair Sanchez asked is right, any
12 data you could provide, which we still haven't been
13 provided with, I think would be very helpful in
14 understanding but it's a testimony that any time a
15 listing is removed from a website, it's because the
16 co-op board rejected them.

17 CRYSTAL HAWKINS-SYSKA: So, in our data like I'm
18 specifically speaking about the data set in West
19 Chester County. When it came to the co-ops, almost
20 always it was because of like when it came off like
21 went into temporary status or pending status, it's
22 because they were in a contract, right and then it
23 comes back on the market because they were rejected.

24
25

2 COUNCIL MEMBER DINOWITZ: And that's the same
3 answer for like if it's in contract for a certain
4 number of days, it's because of the co-op board?

5 CRYSTAL HAWKINS-SYSKA: Well, if it's in contract
6 for a certain amount of days and let me make sure I'm
7 clarifying what you're asking me. You're asking me
8 if it goes into contract on the multiple listing
9 service, you're asking that's in regards to what the
10 co-op board is doing.

11 COUNCIL MEMBER DINOWITZ: You would share that we
12 can see it's been on in contract for a million days
13 and then you said it was because or you didn't say
14 but the implication was it's because the co-op board;
15 I'm just kind of clarifying just for us, it is
16 definitively if that happens because of the co-op
17 board.

18 ZOILA ALONZO: Something must have happened for
19 the apartment to come back on the market. So, we
20 don't have the exact data but what I do see on our
21 MLS, is how many apartments are in our listing for
22 over 100 days and that's where you can probably tell,
23 we need kind of the timeline to kind of shorten these
24 up you know these co-ops to kind of move quicker in
25 the market. So, that's kind of something that I

2 wanted to mention that we don't have the data but
3 going on the MLS, when I'm searching for apartments,
4 why is it on the market for so long? It could go on
5 the contract, then it comes back on the market and
6 the only thing we could assume is that yes, it was
7 denied and what the reason is for it, we won't know.

8 JESSICA ADKE-ELMAZI: There is data points we can
9 extrapolate. So, what happens is something that's
10 listed in our inventory, it has a start date. It's a
11 list date, an expiration date. That's our listing
12 timeline. When we go under contract, it changes the
13 status as Crystal said and it goes to a pending
14 status and then we have not only the days on market,
15 so the time it took to go into contract but then how
16 long it's been under contract. From the time it goes
17 under a contract, you have one of two results,
18 closing or back on the market.

19 When it's back on the market, you can - depending
20 upon what multiple listing service your referencing,
21 we will give a reason, board denial or bank denial.
22 So, we can pull those.

23 COUNCIL MEMBER DINOWITZ: You do have that, okay.

24 JESSICA ADKE-ELMAZI: We do have that, yeah.

2 COUNCIL MEMBER DINOWITZ: Uhm, and then just I
3 mean regarding something you said, I do think there's
4 a distinction between an approval or denial letter
5 and then what the legislation says, which is each and
6 every reason for withholding a consent, no more than
7 five business days, penalty of perjury.

8 JESSICA ADKE-ELMAZI: Right.

9 COUNCIL MEMBER DINOWITZ: I'm sorry.

10 JESSICA ADKE-ELMAZI: So, that's 407.

11 COUNCIL MEMBER DINOWITZ: Yeah, I'm talking about
12 407, yeah.

13 JESSICA ADKE-ELMAZI: So, uhm-

14 COUNCIL MEMBER DINOWITZ: Just because you
15 mentioned that I -

16 JESSICA ADKE-ELMAZI: I called you out.

17 COUNCIL MEMBER DINOWITZ: You called me out,
18 yeah, yeah, yeah but by the way and I do want to
19 credit to the Chair again, it's really important we
20 do that. She is rivaled by I think no one in the
21 Council in terms of listening and hearing everything
22 when it comes to legislation. So, these are
23 important conversations we have during hearings but I
24 do want to clarify the distinction between an
25 approval letter or a denial letter and what the

2 legislation is proposing and in my view, the
3 legislation 407 that's being proposed is
4 significantly a more onerous and strict than
5 certainly what's in Suffolk but even what's in West
6 Chester. The penalties are different, the things
7 that are being asked are different. Can you speak
8 with specificity about some of the differences
9 between where 407 is requiring, incorporating some of
10 what you heard about Administrative costs, legal
11 fees, only the fees we have in New York City and what
12 the actual legislation was in West Chester, Nassau
13 and Suffolk?

14 CRYSTAL HAWKINS-SYSKA: So, I like to talk about
15 Administrative fees. So, in West Chester County,
16 what we saw is that Administrative fees actually went
17 down and the reason being is because essentially the
18 co-op boards did not like the process not meeting the
19 burden of what the law was and what was revealed is
20 that with some buildings, the bad actor was the
21 management company.

22 So, they needed to change the management company
23 and in that, due to technology like you know board
24 packager and all these kind of things, there's things
25 that cost less money because we're in the technology

2 age. I mean we can scan a PDF on a phone and upload
3 it somewhere. So, that's changed the game and that's
4 - so that definitely went down. So, I wanted to
5 answer specially about administrative fees and also
6 too, when we first had - the legislation was first
7 passed in West Chester County and Mike will talk more
8 about this, we had more onerous penalties. When it
9 got passed the first time, that was taken away and
10 then actually it came back in and they were like no,
11 we got to beef this up. So, it's like only, it's
12 like \$1,500 for the first offense, then like \$2,000
13 for the next offense, \$2,500 after that and I think
14 that's the tiered approach to any kind of financial
15 penalty so that's definitely different than what's
16 being proposed.

17 JESSICA ADKE-ELMAZI: Also, to your point, the
18 transparency element, giving that reason also puts
19 the responsibility of not doing - the realtor or the
20 buyer not doing their due diligence and it takes away
21 superfluous and over the top lawsuits and allegations
22 and people going online when you are being told, look
23 no our debt to income requirement was 30 percent and
24 you came in with 35. That's why you were denied.
25 So, that transparency element, you know co-ops are

2 New York's entryway to homeownership, okay and a lot
3 of times people don't know what they don't know. So,
4 they say I have a preapproval, I'm good and there's a
5 lot more to it and there's a lot of unfortunately and
6 I'll take responsibility, there's a low barrier of
7 entry in our industry and sometimes the realtors
8 don't do their due diligence and then the attorneys
9 don't and they just slap deals together and then it
10 gives a burden onto the co-op that they don't
11 deserve. So, being able to say you were declined
12 because you have a 400 credit score, you know it's
13 crystal clear and you can't turn around and sue
14 somebody because of that.

15 CRYSTAL HAWKINS-SYSKA: That goes to one of your
16 other questions about the differences between some of
17 the legislation as proposed here versus what is in
18 West Chester County. So, it is actually written into
19 the legislation in West Chester County that each co-
20 op bill also - each co-op had to provide written on
21 their public facing website and on their applications
22 exactly what the requirements. You have to say, you
23 need this many years of work history. You need to
24 have a credit score that is this amount. You need a
25 debt to income ratio on the back end of this amount.

2 You need you know five years of reserves or one year.
3 All of that is outlined actually in the legislation.
4 So, that was - that worked in coupling and it
5 actually helped us all as practitioners because we
6 knew right up front, we could get these people done
7 but when we don't know, we're fishing. You know
8 because we may have had someone go in and get a 750
9 credit score and maybe their DTI was 22 percent right
10 but then we have the same person, a similar person
11 with a similar profile and they don't get accepted
12 and then we're like, well, why it was just like the
13 other person. So, that's one of the other difference
14 in the legislation.

15 YVETTE CLARK WILLIAMS: And I think also to cut
16 through the minutia it brings you right back to 1120,
17 right. We're just looking for a timeline, that's it,
18 right? We're not asking for anything else. It's
19 just you know because I have a transaction now in the
20 Bronx where I have a seller who might not be able to
21 sell the apartment. I know, I can go on too, I
22 graduated from St. Nicholas Tolentine. I grew up in
23 Concourse Village, so yeah but now I'm in Queens.
24 But all of that to say, I have an apartment now in
25 the Bronx where the seller has financial issues. Had

2 to move out of the state to move back in with family.
3 We have been waiting four months to get feedback from
4 their board that they used to be the president of,
5 right and this is them helping them, right? They
6 said they're expediting on their behalf. We're still
7 at four months waiting to get feedback. So, 1120 is
8 very simple and all of that to say, there might not
9 even be an apartment by the time we get our
10 acceptance because they don't have the funds to
11 continue to pay the maintenance.

12 CHAIRPERSON SANCHEZ: Yeah, great. Well, thank
13 you for this panel. I think panels so far are
14 rivaling the amount of time that we spent with the
15 Administration, so thank you for your time and thank
16 you everyone for your patience. We're going to go to
17 the next panel.

18 PANEL: Thank you.

19 CHAIRPERSON SANCHEZ: So, the next panel is Bob
20 Friedrich, Warren Schreiber, Alicia Fernandez, and
21 Geoffrey Mazel. And I apologize for any names I
22 mispronounced. Bob, Warren, Alicia and Geoffrey.

23 Whoever is ready may begin. Okay.

24 BOB FRIEDRICH: My name is Bob Friedrich and I am
25 president -

2 SERGEANT AT ARMS: Quiet in the room please.

3 BOB FRIEDRICH: And I'm President of Glenn Oaks
4 Village and co-president of the Presidents Co-op and
5 Condo Council, representing presidents of the largest
6 co-ops in New York and we advocate for co-op justice.
7 Volunteer board members are elected to co-op by co-op
8 shareholders and many serve on local civic
9 associations and community boards. They are in the
10 business of approving residents, not rejecting them.

11 Intro. 407 requiring reasons for rejection rule
12 and this is really important for you guys to
13 understand, will end admissions flexibility for all
14 applicants. Buyers whose financials are borderline
15 will no longer benefit from a co-ops willingness to
16 get them over the hump by offering flexibility in the
17 admissions process. Whether it's accepting an
18 applicants credit score that is slightly below the
19 co-ops requirement or permitting a co-signer to push
20 the application across the finish line, flexibility
21 will end as treating one applicant slightly different
22 than another would expose the co-op to costly and
23 punitive legislation - litigation, make it impossible
24 to get vulnerable applicants to yes instead of no.

2 It was introduced because of perceived
3 discrimination in co-op housing but let's be clear,
4 for discrimination to actually exist, three
5 extraordinary conditions had to take place
6 simultaneously. Number one, co-op owners would have
7 to elect a majority of inherently dishonest
8 individuals to their board, which means a typical co-
9 op board of nine would require five colluding board
10 members to break the law and discriminate.

11 Two, the co-op's management company would have to
12 be part of the law breaking cabal. And three, all of
13 these individuals having a fiduciary responsibility
14 to act in a lawful manner would have to bring the co-
15 op attorney into the ring of complicity and collusion
16 to achieve this unlawful applicant denial. The
17 hierarchy of checks and balances in a co-op is why
18 there is no evidence of systemic discrimination in
19 co-ops and we heard that today from the Human Rights
20 Commission.

21 Intro. 407 threatens the very housing access you
22 seek to protect and harms the very applicants you are
23 trying to help. Losing flexibility in the admissions
24 process will mean the difference between rejection
25 and acceptance for many vulnerable applicants and for

2 them, I urge you to reject this misguided bill in the
3 name of co-op justice. Thank you.

4 CHAIRPERSON SANCHEZ: Thank you.

5 WARREN SCHREIBER: Good afternoon Chairperson
6 Sanchez, members of the Committee, Council Member
7 Dinowitz. Thank you for staying here with us. My
8 name is Warren Schreiber; I serve as Co-President of
9 the Presidents Co-Op and Condo Council. I'm also
10 President of the Queens Civic Congress and I am
11 president of my own co-op in Bay Terrace Queens.

12 I strongly oppose Intro. 407. While the goal of
13 transparency and the co-op purchase process is
14 understandable, Intro. 407 is deeply flawed. If
15 enacted, it would impose unreasonable burdens, legal
16 risks and administrative cost on volunteer co-op
17 boards, the very individuals who work tirelessly and
18 without compensation to manage and preserve
19 affordable housing for New Yorkers.

20 Now, I'm going to put the testimony down because
21 I want to - everybody here at the table with me, all
22 of my colleagues. These are volunteers, even our
23 legal Counsel, he works pro bono, for us works pro
24 bono. We are volunteers. We get up early in the
25 morning, usually out of the house by six. I go over

2 to the gym, I come home. My first call is to my co-
3 op superintendent. First call in the morning, that's
4 at eight in the morning. Nine o'clock in the
5 morning, I call my property manager to find out
6 what's going on, what happened overnight, what type
7 of complaints have we had, what are we facing.

8 I have been president of my co-op for almost 27
9 years, which shows that I am a glutton for punishment
10 but in those 27 years, we have denied three
11 applications, three applications. One of them was
12 because the applicant and I was the first one to
13 identify it was taking out a subprime mortgage and I
14 had never seen anything like it in my life and for
15 those of you who might remember this was, the bank
16 was Countrywide, which no longer exists because they
17 went out of business because they were in the
18 subprime mortgage business.

19 The other one, we had somebody who was actively
20 in bankruptcy. They were in bankruptcy at the time
21 they came to us and the third one, the individual,
22 they did not meet our financial requirements by
23 \$25,000. They were short \$25,000, there was no way
24 that they could ever, ever make up that amount. If
25 they did, they would be more then welcome to come

2 back to us but what 407 does, it puts us in a
3 defensive posture because we have to -

4 CHAIRPERSON SANCHEZ: Your are time, so you may
5 conclude.

6 WARREN SCHREIBER: Okay sure, sure. So, with
7 that, I thank you and I just want to say that uhm, we
8 work really, really hard. We're all volunteers and
9 uhm, I ask that uhm you take this 407 back to the
10 table and come up with something we can all work
11 with. Thank you.

12 CHAIRPERSON SANCHEZ: Thank you.

13 GEOFFREY MAZEL: I wrote here good morning but
14 it's actually good afternoon Chair and members of the
15 Committee. My name is Geoffrey Mazel. I'm an
16 attorney. I practiced in the co-op and condo space
17 for 40 years. I represent over 25,000 units of co-op
18 and condo housing. I'm a member of two bar
19 associations called the Condo Committee's. I live,
20 eat, and breathe these issues every day.

21 We talked about collaboration before. Uhm, I
22 personally went to then Council Member Jumaane
23 Williams office over seven years ago and met with a
24 staff member and explained to him the problematic
25 nature of the bill. You can't have volunteer board

2 members subject to perjury, subject to legal fee
3 provisions, right to supervisions. There is
4 liability here that person who spoke initially
5 completely misspoken, mislead this Committee. There
6 is liability. It doesn't mean you did something
7 wrong but it means you're exposed to potential
8 lawsuits. Every time an investigation is started by
9 a city agency, you have to call your insurance
10 company and they count the number of claims. They
11 are deductibles, you have to hire your lawyer, so
12 there is exposure and there's tremendous exposure in
13 this bill. I sat down with his staff member for
14 hours to explain what I'm talking to you about today
15 and we went to the hearing in November of 2017, very
16 same issue. He didn't change one word and did not
17 incorporate one word of what I said. Instead, I
18 heard the gentleman speaking to this Committee before
19 who is not in the co-op space, never -I've handled
20 over 10,000 closings. I meet with hundreds and
21 hundreds of board members. I live these issues. I
22 get calls every day on this issue and to sit with a
23 City Council member and not take one word of my
24 suggestions. It was outrageous. I deal with a lot
25 of Council Members, they call me usually and I give

2 them what's going on in this world because I have my
3 ear to the ground.

4 So, the bill as you heard - I just also want to
5 say on the timing bill, we were also - the difference
6 is, we were met with and collaborated with Mike Kelly
7 and Jessica and people here today and they did take
8 many of our suggestions. Although I'm not supporting
9 that bill, it is much more palpable. The reasons
10 bill is a nonstarter and a disaster for co-ops.

11 CHAIRPERSON SANCHEZ: Thank you. You said seven
12 years but that's at least eight years.

13 GEOFFREY MAZEL: 2017, so that's eight years.

14 CHAIRPERSON SANCHEZ: Yeah.

15 GEOFFREY MAZEL: I was a lot younger then.

16 CHAIRPERSON SANCHEZ: Me too.

17 GEOFFREY MAZEL: Yeah, we were all there, yeah
18 they look the same, I got older.

19 CHAIRPERSON SANCHEZ: Thank you. He had to hear
20 that. I want to make sure the record reflects he had
21 to hear that. Okay, thank you.

22 ALICIA FERNANDEZ: Good afternoon Chair Sanchez
23 and Committee Members. My name is Alicia Fernandez.
24 I serve as the Treasurer of the Queens View Housing
25 Cooperative in Long Island City. It comprises 14

2 buildings and it's home to approximately 2,000
3 residents.

4 I'm here today to highlight the pressing
5 difference between a co-op population in New York
6 City that has 450,000 units and the constant
7 comparison to that of West Chester, Nassau, Suffolk,
8 which is a fraction. I don't have exact numbers but
9 the \$450,000 number is from Gothamist.

10 The three bills currently under consideration
11 would cause additional risks for New York City co-
12 ops. Lenders and insurers will not want to absorb
13 this risk and will either pass these costs onto
14 shareholders or just an eye coverage and funding.
15 I'm part of a group. I'm part of this esteemed
16 group, the Presidents Co-Op Council but I'm also part
17 of the Coordinating Council of Cooperatives, which
18 represents most of the Mitchell Lama's in New York
19 City and I invite any Council Member that wants to
20 join us the second Saturday of every month where we
21 meet and one of the big topics is that certain co-ops
22 are being denied insurance coverage all together. No
23 commercial property insurance is available due to
24 aging infrastructure, due to outstanding liabilities.

2 I'll also mention that at our co-op, we process
3 30 applications a year on average. We have one of
4 the best acceptance rates and turnaround times.
5 Jessica Adke-Elmazi, that was just here as a realtor,
6 is one of our top realtors. We pride ourselves on
7 this process. I'm very personally invested in the
8 process and I'll say that I think rejections are
9 often due to a lack of education afforded to buyers,
10 meaning they come to the table, they don't understand
11 the DTI calculations. They are not savvy about
12 shopping for mortgages in the marketplace to lower
13 their DTI calculations. They don't understand the
14 need for the reference letters. We have a very
15 comprehensive package and it challenges them. So, I
16 think perhaps it would better serve all of us if our
17 efforts were focused on not this punitive bills with
18 fines and perjury penalties but maybe if we could
19 cooperate together to develop a system where we're
20 actually facilitating and expediting these
21 applications versus, just punishing bad actors.
22 Thank you.

23 CHAIRPERSON SANCHEZ: Thank you. Appreciate
24 that. On Intro. 407, this question is for Geoff but
25 really any and all of you, I hear you. I've heard a

2 lot of folks pointing to this issue of the personal
3 liability, personal liability. These are volunteers,
4 we are volunteers. Is there a different way? And I
5 think the Public Advocate may have asked a version of
6 this question but is there a way to right enforcement
7 of this - of a provision like a reasons requirement
8 in such a way that it's not bringing us personal
9 liability but it is you know having some
10 accountability for the board? Because again, you all
11 and probably many of those boards that you represent,
12 many of those co-ops you represent are the good ones
13 but there are bad actors out there. And so, how do
14 we get them without subjecting you all?

15 GEOFFREY MAZEL: Well, there's bad actors
16 everywhere okay, again I deal with dozens of boards
17 and at least on my watch, there is no discrimination
18 because I won't allow it. They're professional - I
19 mean we're licensed. Property managers are licensed.
20 You know I heard the testimony before like; there's
21 some secret society going on. That's an absurdity.
22 It's fantasy. Co-ops are working in daylight.
23 They're professional entities. They are highly
24 sophisticated well run entities. Now, I'll answer
25 your question.

2 CHAIRPERSON SANCHEZ: Not all of them.

3 GEOFFREY MAZEL: Not all of them but you know
4 well, we try. We all try and they're volunteer
5 boards and they're elected boards and let's not
6 forget that they're elected like you guys are
7 elected. So, people chose them and if people don't
8 like them, they could vote them out.9 As far as liability goes, the problem with 407
10 and let me start with that is it increase the layers
11 and levels of exposure to the board members starting
12 with the sworn to statement. I've taken polls. I go
13 to about 10 to 20 meetings a month. I have a really
14 fabulous life. I sit on Zoom in my basement for
15 hours and I take a poll. Who would sign a sworn
16 statement? I have not seen - nobody would. You have
17 to be insane. You know you mias well just publish
18 your social security number. So, that's one level of
19 liability. It makes no sense. The way it's written,
20 the document has to be drafted, almost like a court
21 pleading and you heard the gentleman in the
22 beginning, boards change their minds because there's
23 some sort of conspiracy going on and they'll find
24 something later, absurdities, really, really silly
25 testimony.

2 In West Chester, you check the boxes and I've
3 seen the form. It's a very simple form. I don't
4 like some of the boxes. There's a right to sue, so
5 you can get your civil penalties, I would eliminate
6 civil penalties. There's no reason to have civil
7 penalties in this format. How about education? You
8 heard the Human Rights Commission talk; they teach
9 the brokers. They teach this one. How about
10 education for board members? And if something is
11 wrong, and it doesn't have to be punitive. Have
12 education courses for board members, so they can
13 learn what they can and can't do, which again as
14 Council, I do teach them but you know and I've taken
15 sensitivity training because you know, the world is
16 changing and it's good to keep up.

17 So, instead of banging them over the head, say
18 you have to take a course. Not a terrible thing.
19 Uhm, there's legal fee provision and no one's
20 mentioned that. A legal fee provision means I can
21 get an applicant and I can sue the board and I can
22 get legal fee statutorily. That's a tremendous
23 powerful tool for an attorney. Attorney's will
24 gather these cases and bring these slapped lawsuits
25 because they'll get \$1,000, \$2,000, \$3,000 because

2 there's a legal fee provision. That's when you put
3 in the most extreme types of statutes for extreme
4 behavior, not for a volunteer board member who maybe
5 made a mistake or needs education.

6 Uhm and on top of that, you know again, to have a
7 person have to put their name on a rejection is not
8 fair to those people. It's not fair to the board.
9 The board acts as a group and it's a group decision
10 just like minutes are a group document.

11 BOB FRIEDRICH: Can I just add to that just
12 briefly? Uh, we heard the Human Rights Commission
13 say that there was a handful and she finally defined
14 it as ten over a five year period and she couldn't
15 even define if there was actual discrimination. She
16 just said that was the whole pot of cases she had.
17 So, what we're trying to do here is pass a law where
18 there's virtually very little. We can't even define
19 it because there is no systemic data to show that
20 there was discrimination and then create all these
21 other problems. But you're talking about you know
22 you're saying that some of the problems you're
23 hearing are from the co-op board members. Let me
24 tell you and you really need to take this very, very
25 seriously. When a person comes to a co-op, the co-op

2 is looking to bring that person. That's why we do
3 co-op housing. So, there is a lot of flexibility
4 that the co-op works with. We have an older senior
5 resident who will kind of like look at things to try
6 to get them across the line. If you pass this bill,
7 I guarantee you that if the credit score says it must
8 be 650 and somebody comes in with 649, they're not
9 going to be approved because what's going to happen
10 as Mr. Williams, Jumaane Williams said before, we're
11 going to look at the reasons and now, we can go back
12 at the others and see if you did the same thing.

13 So, we may allow a 75 or an 80 year old woman to
14 come in who had a 649 credit score and nobody else is
15 coming in with a credit score of the same thing,
16 although we require 650, we're not going to allow her
17 and because we're not going to take the chance that
18 oh, you allowed that person in with a 649 but you're
19 not allowing that person in.

20 So, that flexibility will come to a complete halt
21 and I'm telling you what's going to happen is that
22 any flexibility is going to be gone totally, so those
23 vulnerable, the ones who are making a lot of money,
24 there's no problem they're always going to get
25 approved but those vulnerable applicants are going to

2 be denied because the co-op is not going to take a
3 chance of somebody coming in and saying, "you granted
4 that person the approval with 649 but you didn't
5 grant that person."

6 So, we're just going to not approve anybody and
7 that flexibility is so important in a co-op
8 environment and this bill, I'm telling you, I've been
9 on the board for over - for 40 years. I'm the
10 President of the largest garden apartment co-op in
11 New York. That flexibility will come to a screeching
12 halt. Please be aware of it because it's those
13 vulnerable applicants who are going to really be
14 effected.

15 CHAIRPERSON SANCHEZ: Okay, well thank you.
16 Thank you so much to this panel. Appreciate your
17 testimony.

18 BOB FRIEDRICH: Thank you.

19 CHAIRPERSON SANCHEZ: Gary Marton, Michael
20 Bonfiglio, Nathan Lichtenstein, Meg Goble, James
21 Sparks.

22 There are free drinks at the end of this. Just
23 kidding, there aren't, I'm sorry.

24 I got kids, I can take it. Whoever is ready can
25 begin.

2 GARY MARTON: Good afternoon. My name is Gary
3 Marton. I live and have lived for 35 years in a co-
4 op in an apartment that I own in Brooklyn. My wife
5 and I have raised our family there as I think I said,
6 we've been there 35 years. It's a small building,
7 and the certificate of occupancy shows we have five
8 units. I've been the Treasurer of the co-op for 25
9 of the past 35 years on a volunteer basis.

10 I am here to tell you that I oppose these bills.
11 Why? We just elected a Mayor who ran on a platform
12 of "let's make the City of New York more affordable."
13 These bills will make the City of New York less
14 affordable. They will increase transaction costs for
15 buyers of co-ops. They will increase transaction
16 costs for sellers of co-ops. They're going to make
17 the operating costs of co-ops go up. That doesn't
18 make the city more affordable, it makes it less
19 affordable.

20 I got two minutes; I can't go through all of my
21 reasons. I'm just going to focus on 407, alright?
22 No co-op is going to turn down an applicant if this
23 bill passes without first, drafting a letter, running
24 it by a lawyer, having the lawyer say, "it's okay, it
25 won't get you into trouble or at least it minimizes

2 the changes of trouble." Lawyers are not free.
3 They're really expensive, especially the really good
4 ones. Insurance companies when they find out that
5 they're going to have an increased risk of litigation
6 with a co-op, even if it's meritless litigation,
7 they're going to raise their premiums. Co-ops are
8 going to have consider increasing their coverage and
9 beyond that, the individual owners of co-ops are
10 going to have to consider increasing their own
11 personal liability insurance because when the lawsuit
12 comes, it's not going to just name the co-op, it's
13 going to name everybody else in the co-op who might
14 have participated in that decision.

15 Every other point I'd like to make has been
16 covered extensively I think by other people. I've
17 been here all day listening so I'm going to stop
18 right here. I'm going to say thank you and please
19 vote no on these bills.

20 CHAIRPERSON SANCHEZ: Thank you.

21 GARY MARTON: You're welcome.

22 JAMES SPARKS: Good afternoon. My name is James
23 Sparks. I live at 645 West End Avenue and I'm on the
24 board there. As a Treasurer, I'm concerned about
25 expenses too and that basically why I showed up today

2 and I thought I would address my remarks to 438,
3 which is the disclosure of information to purchasers.

4 If a good broker is working to sell an apartment,
5 they have most of this information. They have our
6 financial statement. The minutes of our meetings are
7 available to the purchasers attorney. Uhm, and what
8 are the other ones I had here? Uhm, excuse me.

9 Anyway, I went off script and I lost my way
10 already but uh, uh so our data is available through a
11 purchaser before they sign the contract. For them to
12 be able to ask for current information from a
13 corporation that works on a fiscal year, not a fiscal
14 month, week or day to produce information is kind of
15 speculative and it really wouldn't do them any good
16 at that point anyway because as they've already
17 signed the contract and you know it's probably not
18 possible to renegotiate. Why should the seller
19 renegotiate once the buyer has made their commitment?

20 So, if we do produce the information, it's got to
21 be reviewed by attorneys, accountants, our accountant
22 could provide information, our attorney charges us
23 \$585 an hour. If it involves our capital project,
24 which is one of the things that we disclosed to the
25 brokers, our engineer charges \$400 an hour. It could

2 happen in such a way as has happened recently where
3 in the middle of someone's application process, the
4 complexion of a project we're working on changed
5 dramatically and they could have already requested
6 the information. The second buyer could come in
7 after that with this new information and get a
8 completely different answer from me two weeks later.

9 So, I can leave it at that. Uhm, this has been a
10 long afternoon but I think you get the jest that I'm
11 not sure what this can do for people who are
12 concerned about rising maintenance and assessment
13 charges, which is what I understand this bill was
14 originally introduced for.

15 CHAIRPERSON SANCHEZ: Yeah, thank you so much.

16 MEG GOBLE: Hello, my name is Meg Goble and I am
17 the Secretary of the board in which I live 75
18 Livingston Street. I also am a real estate attorney
19 and for 40 years, I have represented buyers, sellers
20 and small to midsize co-ops. Uhm, since there
21 doesn't seem to be a lot of data, I mean I can just
22 give anecdotal evidence that in the 40 years that
23 I've been involved in the co-op spear, I could count
24 on one hand the number of rejections and as for
25 rejections that are motivated by some illegal

2 discrimination, I personally have never been involved
3 with that and I did represent small buildings and
4 midsize buildings in Manhattan and Brooklyn.

5 The Chairman asked for suggestions. Just don't
6 tell us what's wrong with this. How could we make
7 this better? So, I want to limit my remarks to that.

8 Instead of a reasons letter, since the
9 Commissioner of the Human Rights Commission said they
10 don't get a lot of complaints. If you give a
11 rejection, why not then advise the purchaser? These
12 are your rights under the New York Discrimination
13 Laws. You could go to CCHR. You could go to the
14 state. You can file a uhm, a private lawsuit.

15 This way the co-op will be accountable. They
16 will have to present their reason as opposed to
17 trying to formulate a reason. The gentleman who
18 spoke before about flexibility. This is very
19 critical in the board that I sit on. We try to make
20 a way to get someone in. So, if it's like requiring
21 an escrow or whatever, because we want new people and
22 we want to be fair to our neighbor, the selling
23 person. So, just one additional suggestion on the
24 timeline for applications and getting a response. I
25 would just ask the Committee, the Council, to take

2 notice that the standard co-op form contract, which
3 like is used in 99.9 percent of the transactions.

4 6.3 allows a provision that if the co-op does not act
5 by the scheduled closing date, that there's
6 automatically an additional 30 days added and if the
7 co-op still does not act, either party is entitled to
8 cancel the contract. So, the brokers and people who
9 spoke about people getting stuck in deals for years
10 and whatever, they have not read the co-op contract.
11 There is an out but in terms of the timeline bill,
12 like to have it deemed accepted, the buyer is deemed
13 accepted, that seems to be an extreme remedy. Thank
14 you.

15 CHAIRPERSON SANCHEZ: Thank you.

16 NATHAN LICHENSTEIN: Thank you Council Member
17 Sanchez and to I guess who remains at the Committee
18 for the opportunity to testify.

19 CHAIRPERSON SANCHEZ: They're all listening
20 online.

21 NATHAN LICHENSTEIN: Good, all in spirit. My
22 name is Nathan Lichenstein, I'm the proud President
23 of the 315 West 55th Owners Corp. We're a 42 unit
24 co-op in Hell's Kitchen in Council District 6. My
25 husband and I have called our building home since

2 2018. I have been on my board of director since
3 2020.

4 Co-ops make up the second largest group of owner
5 occupied housing in New York City and are the housing
6 class most readily purchasable for under both
7 \$800,000 and \$400,000. Co-ops provide long term
8 affordable and sustainable housing for New Yorkers.
9 We've listened to some members of this Committee go
10 on a fishing expedition with CCHR and HPD and come
11 out either empty handed or inclusive with data.

12 Why is it that this Council is so intent on
13 targeting an important class of homeowner in this
14 city? From walk up buildings to those with white
15 glove doorman, co-ops are among the only corporate
16 owners of housing in this city who do not have a
17 profit motive. Our motive as a corporation is to
18 maintain our homes. Would this Council tell a single
19 family homeowner that they are required to consent to
20 the sale of their home within a certain amount of
21 time or it will be done so automatically? There's no
22 way.

23 Intro. 1120 is just an overreach into the private
24 affairs of New Yorkers. Would this Council require a
25 single family homeowner to turn over every receipt

2 detailing each dollar they've spent maintaining their
3 home or to outline what work they think their home
4 might require in the future? Again, there's no way.
5 Intro. 438 is going to expose sensitive information
6 to an outside party without any real legal framework.
7 Further, it's uniquely shifting the burden of
8 personal responsibility in co-op purchases away from
9 the buyer, their attorney, and their real estate
10 broker and it's pushing onto the seller and the co-
11 op. Would the Council subject a single family
12 homeowner to threats of perjury and financial penalty
13 when declining an offer to sell their home? Again,
14 there's no way.

15 The Federal Fair Housing Act, the New York State
16 Human Rights Law and the New York City Human Rights
17 Law, all - may I close out?

18 CHAIRPERSON SANCHEZ: Please.

19 NATHAN LICHENSTEIN: All prohibit housing
20 discrimination. Intro. 407 will not make housing any
21 more equitable in this city but it will
22 disincentivize the volunteers that is desperately
23 needed to run our buildings. Co-op owners are
24 homeowners. We deserve to be treated equally as
25 such. Before we enact new legislation, this

2 Committee needs to shore up its data and more
3 importantly engage with the co-op community. Thank
4 you.

5 CHAIRPERSON SANCHEZ: Thank you.

6 MICHAEL BONFIGLIO: Hello, my name is Michael
7 Bonfiglio. I wanted to thank the Council for
8 allowing me to speak. I'm a Treasurer of the
9 building at Sunset Court Association in 4002 7th
10 Avenue in Brooklyn. I've been on the board 20 years
11 now. I'm opposed to all three bills being proposed
12 but especially bill 407 and the entire time I've been
13 on the board, every attorney we've worked with has
14 always advised us not to put specific reasons for why
15 we're uh denying someone because it opens us up to
16 liability and you know people don't want to volunteer
17 when there's added liability.

18 I heard other Council Members say that it doesn't
19 increase liability but it surely does because once
20 those reasons are down, it could invite lawsuits.
21 Those lawsuits don't necessarily have merit but they
22 could happen anyway. Right now, we're having an
23 issue with a lawsuit that is involved with a dispute
24 between two tenants and the whole boards gotten roped
25 in and because of that our directors at Operators

2 Insurance canceled on us at renewal and now our new
3 fee is double. So, these do have real consequences
4 and just want the Council to take that in
5 consideration. Thanks.

6 CHAIRPERSON SANCHEZ: Alright, thank you. Uhm, I
7 just have a clarifying question for Nathan. On 1120,
8 did you say this an overreach into private affairs
9 because the bill would force sales?

10 NATHAN LICHTENSTEIN: So, my understanding of
11 1120 is at the end, there's a forced consent to sale
12 for fail to act, at least in a draft that I read. Is
13 that correct?

14 CHAIRPERSON SANCHEZ: I don't know, that's why
15 I'm asking you. Yeah, yeah, okay.

16 NATHAN LICHTENSTEIN: It's deemed approved,
17 right.

18 CHAIRPERSON SANCHEZ: Okay, well it's deemed
19 approved when the buyer and the seller have agreed
20 and the co-op has not responded. Was that
21 everybody's interpretation? You can -

22 NATHAN LICHTENSTEIN: Correct.

23 CHAIRPERSON SANCHEZ: Okay, great. Thank you.
24 That's helpful and it's something that I'll take back
25 to the bill sponsor as a concern that I certainly

2 understand. Uhm, okay, I think you're echo's of
3 other concerns is very clear, so I want to thank this
4 panel for your time today.

5 PANEL: Thank you.

6 CHAIRPERSON SANCHEZ: Stay for the drinks. Just
7 kidding. Next up is Mitch Levine, John Vetere,
8 Melissa Marks-Shin, Alison Mason and Stuart Saft.
9 And if there's folks in the overflow room, come on in
10 there's space here for you now.

11 Stephanie Spadaro, John Kosa and Carol Baird;
12 we're getting to the part where we're trying to fill
13 in seats. Carol Baird, Jill Eisner, Britney
14 McKenzie, Joseph Garcia. Excellent, okay and whoever
15 is ready can begin. Oh, you're going to have to
16 fight to the finish. Just kidding. Just kidding.
17 What's your name now? Okay, I'm sorry Joseph, you're
18 after Britney. I didn't see her stand up, so you
19 have to switch, sorry about that but you're up next
20 Joseph. You're up next, sorry I didn't see her stand
21 up when I called her name. Next panel, yeah, yeah,
22 sorry about that.

23 No, I mean if you're still here, you're the
24 diehard crew. Okay, whoever is ready, may begin.

2 MELISSA MARKS-SHIN: Good afternoon. My name is
3 Melissa Marks-Shin. I'm here to express my
4 opposition to Intro.'s 407, 438, and 1120. While it
5 would be disingenuous sorry, to say discrimination of
6 housing in New York City doesn't exist and the
7 reasoning behind these bills is well intentioned,
8 it's equally disingenuous to paint all co-ops with a
9 wide brush and not fully consider the financial
10 ramifications to current co-op shareholders when our
11 city is experiencing an affordability crisis. For
12 the last 19 years, I've served as a board member and
13 currently serve as the board secretary of a modest 26
14 unit co-op on the upper west side.

15 In that time, we have never once been
16 unresponsive to an application and we have rejected
17 exactly one applicant upon leaning in their interview
18 that they intended to use their apartment as a short
19 term rental, which our bylaws prohibited. In our
20 building, many shareholders, especially seniors on
21 fixed incomes and young families, already struggle to
22 manage with rising costs. Taking this into account,
23 our board meticulously manages our finances through a
24 lens of affordability.

2 The cost of managing a building obviously
3 increase from year to year, however, insurance
4 premiums have skyrocketed. Ours increased 51.7
5 percent from this year over last year, a figure I
6 confirmed with our broker this morning, who also
7 informed me that he can't project how much our
8 insurance will go up but will absolutely go up if
9 these bills are enacted.

10 These bills will only add to the burden of
11 maintenance by increasing insurance costs even
12 further and create further strain of affordability
13 for our residents who are not wealthy. The proposed
14 requirements would expose co-op corporations to
15 frivolous lawsuits, while also significantly raising
16 the shared legal expenses that every shareholder
17 would bear.

18 The mandated justifications for applicant rejects
19 will expose individual board members to legal risk
20 and the ten day response requirement and automatic
21 approval of an applicant for nonadherence is
22 unreasonable. Living in a co-op is a social contract
23 that can't be forced by bureaucracy. All of these
24 create owners expectations on volunteer board members
25 who have families, jobs and responsibilities. We

2 already act efficiently in responsibility because our
3 community expects it, not because of penalties.

4 CHAIRPERSON SANCHEZ: Thank you. Did you
5 conclude?

6 MELISSA MARKS-SHIN: I did not conclude but
7 that's okay.

8 CHAIRPERSON SANCHEZ: Did you want to conclude?

9 MELISSA MARKS-SHIN: Uhm, I'll - I would just say
10 that based - in conclusion, proposals 407, 438, and
11 1120 while well intended duplicate existing fiduciary
12 obligations and add unnecessary costs for co-op
13 residents, many who live on fixed incomes. Given
14 there are other outlets through recourse, including
15 those outlined by CCHR, I respectfully urge you not
16 to move forward with these bills. Thank you.

17 CHAIRPERSON SANCHEZ: Thank you.

18 MITCHELL LEVINE: Hi, my name is Mitchell Levine
19 and thank you by the way and I have to commend the
20 City Council. This hearing has been extraordinary,
21 really. The amount of information, the civility, I
22 think if all government operated the way you are
23 operating now, we'd have a far better society.
24 Really, it's remarkable.

25

2 I'm Mitch Levine, I live in a co-op in the upper
3 West Side, 630 units. I've been on the board 41
4 years. In 41 years, we have rejected two applicants.
5 We work tirelessly as a board and we are a self-
6 managed building but we work tirelessly as a board to
7 make sure that applicants understand what our
8 requirements are in advance of applying.

9 We don't want anybody to be rejected but we do
10 have requirements that ensure the fiscal stability of
11 our building and also that the person that's coming
12 in understands that they're moving into a community,
13 not to a single family home. A lot of people don't
14 understand what a cooperative is and it's important
15 that when we do this, that they understand that and
16 that's what their responsibility to the entire
17 community is.

18 These bills will cause distress financially.
19 They'll cause distress in getting board members to
20 agree. I know although I was a past treasurer, I'm
21 now currently - I don't serve a corporation. I would
22 not sign that document. Anything that says I'm
23 responsible for ensuring that no discrimination took
24 place under penalty of perjury, a criminal offense,
25 is something I could not even abide by.

2 And I can't speak to what my other nine members
3 would do. I mean, we assume that we are operating in
4 good conscience and we explore everything that goes
5 on. There's no application that does not get full
6 consideration by nine members, right? As well as our
7 managing agent who tells us when we're crossing into
8 an area that's not appropriate. I will oppose it but
9 I will say if I may continue, I think the missing
10 part of this is education. I think that what goes in
11 the application, is of critical importance and every
12 board should be required to have a list of
13 requirements to go into the house unequivocally.
14 They should spell out the timeline.

15 We tell our applicants that they have two weeks
16 to apply. We have two weeks to get the application
17 to the board and then according to the cycle that we
18 have in terms of when we're meeting, it could be any
19 place from 15 days to 45 days in addition to that.
20 However, when we actually interviewed the applicant,
21 we say to them all the things that they're
22 responsible for. If there's a question about the
23 finances, it could take as much as an additional 15
24 to 30 days to get the documentation that we need.

2 Our objective is to accept every single applicant
3 that comes to our building and we tell our brokers to
4 make certain that they share with their client
5 exactly what our requirements are.

6 I think that the overall intent is fine but the
7 mechanism that you're using, the penalties, the
8 timelines, I don't think it works and I think it's
9 going to burden co-ops and it's going to change the
10 way we function. I know certainly it would in ours.

11 Thank you.

12 CHAIRPERSON SANCHEZ: Thank you. That's very
13 helpful feedback. Thank you.

14 CAROL BAIRD: Does this work? Okay. Hi, thank
15 you for giving us the opportunity to testify. My
16 name is Carol Baird and I am a retired children's
17 dance teacher who bought a co-op apartment in 1993 at
18 645 Westend Avenue that has 73 apartments and I just
19 recently joined the board and I've seen that a co-op
20 is kind of micro-Cosmo of a city democracy with much
21 shorter term lets and it's difficult when the larger
22 government entity passes laws that may sound
23 important but have a detrimental effect on the
24 smaller entities that have to comply with them. And

25

2 since my building was converted to co-op apartments
3 in 1984, real estate taxes have risen 3,400 percent.

4 Insurance costs often due to legislation and
5 passed by the city, have risen 3,380 percent during
6 that same time. Inflation during that time, was 204
7 percent. So, the city coffers have certainly
8 benefitted from co-op owners. And a key word that
9 gets banded about is affordability but the Council
10 wants to pass legislation that puts a bigger
11 compliance burden on co-ops without a discernable
12 thing. And one always worries about frivolous
13 lawsuits; I'm worried about being a board member now.
14 I actually called Jumaane Williams office over a week
15 ago to ask what the reason was behind the proposed
16 legislation. No one got back to me. So, I also
17 emailed. I got no response, so I called the New York
18 City Commission on Human Rights and asked them what
19 recourse was available after being rejected by a New
20 York City Co-Op Board, not for financial reasons but
21 for discriminatory reasons. They were very helpful.
22 They gave me all kinds of information on how to file
23 a complaint and also referred me to two other city
24 agencies that could help me.

2 It is also my understanding that the last time
3 that similar legislation came up in New York City,
4 the Commissioner on Human Rights testified that there
5 was no real basis, which I kind of heard today when I
6 heard they had ten cases over ten years. Can I
7 conclude?

8 CHAIRPERSON SANCHEZ: Please.

9 CAROL BAIRD: Okay, so I urge the Council not to
10 pass legislation that makes it more expensive and
11 onerous to live in a co-op apartment in New York
12 City. There are already regulations in place to
13 combat discrimination. It seems like what we need
14 more of is outreach and oversight on the legislation
15 that exists, rather than additional legislation.

16 CHAIRPERSON SANCHEZ: Thank you.

17 JILL EISNER: Hi, my name is Jill and I live in
18 a co-op and I want to speak to Intro. 438 and to one
19 of the unintended consequences to this bill. It
20 opens the door for lawsuits on capital plan changes.
21 Co-ops struggle multiple local laws, every day a new
22 one, where we have to investigate how to upgrade to
23 comply and we look at multiple solutions and options
24 and those could be you know in our meeting minutes
25 and if we issue that to a perspective buyer and we

2 don't follow through, we can be sued. How is that in
3 this law? Plan products don't always get executed.
4 Why is this discriminatory? We plan to do a windows
5 for eight consecutive years but things like backflow
6 preventors, which has never been used in the history
7 of a city, which we had to put in our basement, which
8 is ugly. It had to be put in. Uhm, we had to
9 replace our boiler. We have Local Law whatever, 87,
10 88, 111, so the windows were pushed and pushed but
11 I'm going to sued because I didn't follow through on
12 a capital plan? This is just it's just not fair. My
13 co-op is 33 percent senior citizens; 21 percent
14 receive star benefits. It's all studios and these
15 people can barely afford living on social security to
16 pay their maintenance and now they're going to be
17 subjected to increased director insurance cost to
18 increased, uhm, we're going to have to have a legal
19 reserve fund now, which we've never had before. I
20 find this very gratuitous. I think that that bill
21 438 needs to be totally rewritten. I am not quite
22 sure what it's trying to achieve at all and I'm very
23 proud that my Council Member and none of the other
24 Council Members in the surrounding districts, nor

2 Gale Brewer is supporting this bill. Thank you for
3 your time.

4 CHAIRPERSON SANCHEZ: Thank you, next.

5 BRITNEY MCKENZIE: Hi, good afternoon. My name
6 is Britney McKenzie. I'm the Policy Director at the
7 Fair Housing Justice Center. Thank you for the
8 opportunity to testify on Intro. 407. We urge the
9 Council to pass this bill and reject any amendments
10 that would weaken its core purpose, transparency.
11 Co-ops offer one the strongest homeownership
12 opportunities and pathways in New York City with over
13 450,000 units that support long term stability and
14 generational wealth. But too many applicants who do
15 everything right, secure financing, sign contracts
16 submit full applications are rejected with no
17 explanation.

18 This secrecy creates an environment where
19 discrimination, intentional or not is unchecked, can
20 thrive unchecked. The harms are very clear. First,
21 secrecy shields decision makers from accountability.
22 Second, it makes enforcing fair housing protections
23 extremely difficult. Third, rejected applicants have
24 no idea whether the denial was fair or
25 discriminatory. And four, this opacity discourages

2 qualified and often unrepresented New Yorkers from
3 even attempting to buy in a building where they are
4 not the demographic norm.

5 407 is very simple, 407-A, if a co-op board
6 denies an applicant, it must provide a written reason
7 for the rejection. That's it. Similar laws already
8 work in West Chester and Suffolk Counties and the co-
9 ops there continue to function just fine. Opposition
10 to this bill isn't about real burdens, it's about
11 preserving a privilege status quo that keeps many New
12 Yorkers out.

13 This is a pivotal moment for City Council to
14 stand firmly for civil rights, fairness and inclusion
15 and to say that discrimination behind hidden, closed
16 doors is unacceptable. While this wont transform the
17 housing market overnight, it will finally bring
18 clarity to one of the most opaque barriers to
19 homeownership in our city. 407 is practical,
20 achievable step forward, it sends a clear message no
21 more secrecy, no more exclusion, and no more allowing
22 discrimination to hide behind closed doors. Thank
23 you for your time and your commitment to housing
24 justice for every New Yorker.

2 CHAIRPERSON SANCHEZ: Thank you. Thank you so
3 much and I just want to make a general statement
4 because you guys are the diehards. If you're still
5 here you really mean it right, so thank you. But
6 again, arguments; I hear a lot of arguments that my
7 co-op or we don't do this, which isn't compelling to
8 me. I won't speak on behalf of other Council
9 Members. It isn't compelling to me on behalf of the
10 bad actors that do exist. So, I just want to call
11 that out because a lot of good information is being
12 shared and a lot of valid; I mean, all the concerns
13 are valid but valid concerns are being shared that we
14 can use to tailor anything that does move forward. I
15 don't know what will move forward, I'm not the
16 speaker but I just want to highlight that specific
17 concern. And just Jill, since you said you don't
18 understand the reason behind the financial disclosure
19 bill, it's not a bill that is about fair housing. It
20 is a bill that's about making sure that perspective
21 buyers because it's my bill. Perspective buyers have
22 the information that they need. I'm really glad
23 again that you and your board do the right thing. I
24 personally have been declined the ability to review
25 minutes, right to review. So, I'm not - I for one am

2 not seeing that this is the set of requirements that
3 should exist in the bill. The bill is a draft, right
4 and this is why we're having a hearing but even
5 though you and individuals here don't hold back
6 information from perspective buyers, it's a real big
7 problem when somebody's making the biggest financial
8 decision of their life up to that point, that they
9 don't have information.

10 So again, welcome feedback but you know this bill
11 is crap, you know that doesn't help right? I need
12 constructive feedback from you all so that we can get
13 to the right part of this vision still.

14 UNIDENTIFIED: [INAUDIBLE 04:48:09].

15 CHAIRPERSON SANCHEZ: Yes, we'll go one, two, and
16 three.

17 JILL EISNER: The part that I didn't get to cover
18 is that I don't remember her name but the woman
19 representing CCHR made a valid point that there
20 really isn't enough data to justify many of the
21 provisions in all three bills and we are giving you
22 data by saying we rejected one person, we rejected
23 five people. You know we rejected, so I don't think
24 that necessarily is anecdotal when it is actually
25 valuable data when you have enough people testifying

2 to the fact that this is not happening in their
3 building.

4 CHAIRPERSON SANCHEZ: And you would not be giving
5 us that data if we didn't have this hearing, right?

6 JILL EISNER: Right, no absolutely but my
7 question then also is, what data are you relying on
8 because it seems like many people particularly
9 Council Member Dinowitz basically said there isn't
10 data to support it and it would make sense to me that
11 a bill would be crafted based on data, not to collect
12 data.

13 CHAIRPERSON SANCHEZ: Well, these aren't all my
14 bills but I said, I said at the hearing two weeks
15 ago, where we were similarly still here at 6:00 p.m.,
16 it's 3:00 p.m. you all, it's early but when we were
17 listening to testimony around the short term rental
18 bills, that I am completely against those pieces of
19 legislation but I don't shut down debate, right? I
20 think democracy thrives when you are able to express
21 what you believe in, what is your data and all of
22 that so I do believe that there is a problem here.
23 We know it anecdotally but broadly anecdotally and
24 so, your information, the information that we heard
25 from the different associations of realtors, really

2 help us to start to understand and maybe, maybe, the
3 bills you know go in the direction of helping us
4 collect better information then what we have today or
5 maybe we have debate now that allows us to collect
6 more. But really that's what this hearing is about
7 you know for you all who are the most dedicated.
8 It's about collecting information from you all about
9 where we can go if we go anywhere from here.

10 MITCH LEVINE: If I may, the issue that you had
11 brought up specifically about information, the
12 Attorney General's office, which does not broadcast
13 what it really is intended to do relating to
14 regulating co-ops and condo's but really has a voice
15 in that and I think the lack of information and
16 education once again, is what's prominent in this.
17 If you had that information and you called the AG and
18 you told them you couldn't get the information that
19 you requested, then they would initiate an action to
20 ensure that your board provided you with whatever is
21 required under the law. There are laws that
22 currently exist and you're right. They're not - they
23 don't have necessarily the teeth, but even though if
24 they do have the teeth, the reason why that there's
25 no application of it, is because the people remain

2 uneducated and I'm going to - I'm a former teacher,
3 so education is the way I believe movements are made.
4 People have to understand what their rights are.
5 They have to understand how they can avail themselves
6 of those kinds of rights and I think that that's what
7 the responsibility of the Council is.

8 In terms of insisting because you represent the
9 city government. The city government should be
10 providing this information on a much broader scale.
11 We as board members are required to take courses and
12 sign off that we understand what discrimination is.
13 We understand what sexual harassment is. The same
14 thing should be true of all board members by the way
15 to accomplish the same goals that you want to
16 accomplish. Then every single board member will be
17 required to take it and sign off on it and say that
18 they understood now what the law is and they will be
19 held accountable. So, there is a way of doing it
20 without being so onerous that we are all testifying
21 because we're concerned about our way of living in
22 our co-ops. This is not about an issue of anything
23 other than we are inclusive by and large, maybe 95
24 percent of the people are inclusive in the way they
25 consider everything. There are always bad actors.

2 There are people that pass red lights. There are
3 people that drive drunk. I mean that's just simply
4 the human condition and this is where we are. But to
5 basically put such an onerous burden on a class that
6 is attempting to do the right thing and then even not
7 only that but causes legal - you know penalty of a
8 perjury in the context of a law or automatic recovery
9 of legal fees which is an avenue how all the lawyers
10 who are not good players gather classes in order to
11 accomplish not anything for anybody else other than
12 lining their own pockets.

13 CHAIRPERSON SANCHEZ: Yeah thank you.

14 MITCH LEVINE: And you're enabling that. I
15 applaud your goals. I really think it's important but
16 I think that you have to approach it in a way that
17 we're not the bad guys. We're not the bad actors.
18 We have to be acknowledged that way.

19 CHAIRPERSON SANCHEZ: Thank you. Thank you.

20 BRITNEY MCKENZIE: I still don't understand why
21 changing capital plans, which happens all the time.
22 This building, I'm sure when you built this room, I
23 heard it's brand new and you loved the buttons.
24 That's what Dinowitz said. I'm sure that didn't
25 happen perfectly. I'm sure he had to change, you

2 know the guy that did the floor, the lights the
3 ceiling, it was delayed by six months and in that
4 time a new Councilman came in and all of sudden we
5 can be sued for that because there's a change in the
6 capital plan. That's in your law 438. That's what I
7 don't understand. I think that the unintended
8 consequences of covering everything can hurt and you
9 don't even realize that and a lot of laws that are
10 passed. I know up in Albany because I follow a lot
11 of them very close with my assembly woman, they have
12 to retract them and rewrite them because of the
13 unintended consequences.

14 So, we're trying to tell you that that part
15 should really be looked at because capital plans
16 change every day.

17 CHAIRPERSON SANCHEZ: Yup that's - and that's
18 great feedback. Thank you, appreciate it.

19 Alright, well thank you so much to this panel and
20 thank you for sticking with us. Joseph Garcia, you
21 still here? Yeah. Corinne Arnold, David Fitzberry,
22 Matt McLanahan, and Jordan Barowitz.

23 JOSEPH GARCIA: Could I have as much time as the
24 first guy who spoke?

2 CHAIRPERSON SANCHEZ: I will allow you to
3 conclude when your time is up. I just want to call a
4 couple more names. Mestawet Endaylalu, Clifford
5 DuPree. Seeing no one rushing to stand, Gerry Moore-
6 Murray, Yvonne Pena, Jesse Horwitz, Brendan Cheney,
7 and Arielle Hersh. Julian Parker, or Arielle, yes
8 Arielle is here. No, not Julian. If Julian is here,
9 not yet. Okay, next one. And whoever is ready can
10 begin.

11 JOSEPH GARCIA: Okay, my name is Joseph Garcia.
12 I'm a board member, vice president and Chair holder
13 of 4077 Owners Corp on the west side. It's a nearly
14 100 unit co-op with many retirees, seniors and
15 widows. Although conceived with good intent, I'm
16 here to express our concerns and opposition to three
17 bills. As thorough consideration downstream
18 consequences point to a disastrous outcome for the
19 nearly one million New York City Co-op residents.
20 With respect to Intro. 407, it imposes nearly
21 impossible constraints in the admission process that
22 discourages board service, which I should emphasize
23 and has been emphasized before is a voluntary,
24 elected, unpaid, uncompensated position. The
25 existence of this bill has already caused deep

2 concern among our current board members and co-ops
3 will spend excessive legal insurance and
4 administrative fees to assure board members, or
5 assessments will be farmed out to third parties. The
6 consequence will be increased cost, which will be
7 passed to shareholders and less diverse, less
8 equitable and less inclusive communities.

9 Intro. 438 mandates release of unofficial
10 documents estimates or statements to protective
11 purchasers. It will stifle discussion of pending
12 costs as mentioned earlier, that are imposed by New
13 York City, New York State or the federal government.
14 The consequence will be [INAUDIBLE 4:57:05] boards
15 adverse co-op at risk for litigation simply for being
16 responsible and proactive.

17 Intro. 1120-A imposes unrealistic timelines and
18 impedes a fiduciary responsibility to co-op
19 admissions. It effectively forces boards in some
20 cases to consider inaccurate, inconsistent,
21 incomplete or fraudulent applications. The
22 consequence may be forced acceptance of irresponsible
23 individuals, some of whom could threaten the
24 environment, finances and even safety of vulnerable
25 co-op residents. New York co-ops are a shiny example

2 of how well a communal housing functions when managed
3 by and for the people. Despite the tone of the bills
4 authors and some of its supporters, the human rights
5 reps as testified earlier, have confirmed that
6 discrimination by co-ops is a virtual nonexistent
7 problem.

8 Given these concerns, we respectfully urge the
9 Council to reject Intro. 407, 438, and 1120-A.

10 CHAIRPERSON SANCHEZ: Thank you. I thought you
11 were going to take more time.

12 JOSEPH GARCIA: Well, I can. So, but I'll wait
13 until later.

14 CHAIRPERSON SANCHEZ: Thank you.

15 ARIELLE HERSH: Hi Chair Sanchez, members of the
16 Committee. Thanks for holding this hearing and for
17 the opportunity to testify. My name is Arielle Hersh
18 and I'm the Director of Policy and New Projects at
19 UHAB. We work with about 1,200 HDFC affordable
20 cooperatives in the city and we really appreciate the
21 initiative of the Council and holding today's hearing
22 and encouraging transparency in co-op decision
23 making. I think we share many of the same goals. We
24 also you know spend a lot of time with HDFC co-op
25 boards, helping them to make transparent, consistent

2 and equitable decisions in compliance with all of
3 these laws and more that we're talking about. I
4 think we agree that many of the issues that we're
5 naming here do in fact exist and there are real
6 variety of actors.

7 That said, I think the stock of HDFC co-ops
8 specifically is a little bit different from so many
9 of the market rate co-ops that these Intro.'s are
10 directed at. You know similar, these are volunteer
11 board positions but substantially differently. These
12 are led by working class people of color, many elders
13 similar and also folks who are experiencing real
14 difficulty and hardship as you well know complying
15 with a lot of existing Local Laws and regulations.
16 You know these are portions of our affordable housing
17 stock that are much more likely to house people of
18 color, immigrants, and other marginalized groups with
19 lower incomes than market rate co-ops. We also have
20 some interesting research that indicates that HDFC
21 co-ops are more likely to accept voucher holders
22 compared with other kinds of housing, subsidized and
23 market rate, and you know this slightly different
24 pool of housing, I think really in this case deserves
25 some differential treatment here and we would

2 recommend that HDFC co-ops be carved out of Intro.
3 407, Intro. 438, and Intro. 1120.

4 I will submit more testimony with further details
5 but I think the sort of compliance differences here
6 include that we have HPD - sorry, may I continue?
7 Uhm, we have HPD oversight and a regulatory agency
8 that is tasked with specifically overseeing the
9 operations of HDFC co-ops. Both ones that have
10 regulatory restrictions with the city that are
11 active, which I see are already carved out in many
12 pieces of the legislation, in addition to those that
13 are not. We also have a large sort of financial and
14 regulatory cliff coming up in 2029 with the
15 expiration of the damn tax cap, which over 80 percent
16 of HDFC co-ops receive and that is a real moment to
17 bring HDFC co-ops back into larger regulatory
18 compliance in close coordination with the agency and
19 stakeholders and I think that there are many ways to
20 achieve those aims for this specific population on
21 that sort of timeline with this larger focus on
22 regulatory sort of restrictions, tax abatement,
23 carrot stick, all of those kinds of things together
24 and would really like to talk more with the Council
25 about achieving those goals for this specific

2 population within that framework. Thanks for the
3 time always.

4 CHAIRPERSON SANCHEZ: Thank you. Thank you
5 Arielle.

6 DAVID FITZ HENRY: Good afternoon. My name is
7 David Fitz Henry. I am a real estate attorney. I am
8 a member of the City and State Bars Co-Op and Condo
9 Committee. I'm the current Chair of the City Bars
10 Co-Op and Condo Committee. I'm a professor teaching
11 a course on co-ops and condominiums.

12 I'm appearing today not in any of those
13 capacities but only because of to echo the concerns
14 that I've been hearing throughout the community and
15 with respect to my clients. My firm currently
16 represents approximately 150 co-op and condo
17 buildings across the New York area. I think the
18 intentions of these bills are noble. They're in the
19 interest of justice. They fight discrimination but
20 unfortunately, it's not necessary. It's not
21 necessary because there are already avenues for
22 recourse at the city, state, even the federal level.

23 That being said, even if it was unnecessary, I
24 might be able to support it if it caused no harm.
25 Unfortunately, it does cause harm, multiple ways that

2 it causes harm. One, we've already discussed today,
3 this will result in significant increased costs for
4 all co-ops across New York. It will have increased
5 insurance premiums, it will have increased legal
6 fees, and it will also have increased management
7 fees, administrative fees. That's undeniable. It
8 will also have a chilling effect on the spirit of
9 volunteerism that every co-op relies upon.

10 As far as the purpose of 407-A is to deter bad
11 actors. Bad actors will not be deterred by this
12 bill. If they are willing to break the law and
13 discriminate anyway, they are not going to be
14 deterred by signing one statement, lying about the
15 reasons for rejections. Currently, most applications
16 - may I finish?

17 CHAIRPERSON SANCHEZ: Yes please.

18 DAVID FITZ HENRY: Most applications have an
19 interview process as well and those board members
20 have the ability to reject someone based upon an
21 interview that they did not like. They didn't like
22 the cut of someone's gib. They didn't like what they
23 wore. They didn't like their attitude. All of these
24 things are legal, permissible reasons. These things
25 will be used as a pretext by bad actors to simply

2 deny people. This bill does not accomplish what it
3 is designed to accomplish. Passing this bill will
4 only result in increased cost and less affordable
5 housing, which has been a reoccurring theme
6 throughout the day that affordability is the biggest
7 issue the city is facing in terms of housing right
8 now. Thank you.

9 CHAIRPERSON SANCHEZ: Thank you.

10 BRENDAN CHENEY: Good afternoon. My name is
11 Brendan Cheney. I am director of policy and
12 operations at the New York Housing Conference. Thank
13 you for the opportunity to testify. New York Housing
14 Conference strongly supports Intro. 407. The
15 legislation uses a common sense approach to help
16 prevent discrimination in co-op sales. There are
17 reports of discrimination co-op sales, and co-op
18 boards should not continue to let to operate in
19 secrecy and perpetuate housing discrimination. By
20 simply requiring transparency and the reasons for
21 blocking a sale, co-ops will be less able to quietly
22 discriminate and deny people the opportunity to buy
23 into a building and enter homeownership.

24 We have made recent strides fighting against
25 discrimination and housing. We successfully fought

2 for a state ban on source of income discrimination
3 against renters. We fought for equitable production
4 of affordable housing with our New York City Housing
5 Tracker and the City Council passed the Fair Housing
6 Framework in the City of Yes. It is time to level
7 the playing field and fight discrimination on entry
8 into homeownership. We strongly support this
9 legislation and urge the Committee and the Council to
10 pass this legislation before the end of the session.
11 Thank you for the opportunity to testify. I'm happy
12 to answer any questions.

13 CHAIRPERSON SANCHEZ: Thank you Brendan.

14 MATT MCLANAHAN: Thank you Chair Sanchez. I have
15 to say I'm very impressed by your patience and I'm
16 very thankful to you for asking for collaboration.
17 I'm Matt McLanahan, I'm the Treasurer of the 310
18 Apartment Corporation. A 77 unit co-op. I have
19 lived there for 25 years. I have served on our board
20 for a year and a half and I would love to collaborate
21 with you. But I have to oppose 407 for three
22 reasons. The problem is unproven. The enforcement
23 is disproportionate and the remedy, I don't think
24 will work. So, let me go through them.

2 As a gay man and a member of a protected class, I
3 have seen no discrimination. Now I know that is
4 unmoving to you, that you said earlier that you are
5 not moved if I stand here and say I'm one of the good
6 guys and we don't discriminate right but what I see
7 today in the hearing, I just have to push back
8 because the earlier comments from people on the
9 Council, people on the Committee, we're kind of like
10 everybody knows there's a problem here, everybody.
11 And I always have to answer that with, really
12 everybody Buddhist monks in Tibet know there's a
13 problem? Because you know, like I'm part of
14 everybody and I don't know there's a problem right?
15 I understand your concerned about the opacity. The
16 city has done no serious investigation. There's been
17 no statistical analysis. We saw today, there's no
18 data collection. There's not a lot of evidence of
19 discrimination. There's not a lot of evidence of
20 systemic discrimination, right? And if the problem
21 is unproven any enforcement is disproportionate.

22 The five day each and all reason standard
23 affirmed under penalty of perjury, it's way too heavy
24 a burden on volunteers. We already struggle to fill
25

2 board seats. Oh, may I finish? I promise I'll talk
3 faster.

4 CHAIRPERSON SANCHEZ: Please.

5 MATT MCLANAHAN: And our last two elections,
6 directors ran unopposed. Partly because of all of
7 the work we're having to do with all of these local
8 laws that have come through which are all well
9 intentioned and important.

10 Uhm, if you add personal criminal liability to
11 this, you're going to weaken a volunteer governance
12 model that makes affordable co-ops work and the last
13 thing I have to say is, I think the remedy will be
14 ineffective. You're not collecting any demographic
15 data with this bill.

16 You're giving a letter to one person, an
17 individual letter to one person with a list of
18 reasons. Without demographic data, it's going to be
19 hard to expose discrimination patterns. You can't
20 detect disparate treatment if you don't track who is
21 being treated differently.

22 Real anti-discrimination enforcement requires
23 data. Demographic information that reveals patterns,
24 not just individual rejection reasons. I urge you to
25 find another way to work with the Commission on Human

2 Rights to collect optional demographic data from
3 people as a part of the application process. The
4 boards should not be involved in collecting this
5 data. It should just be collected as a part of the
6 application process. That's the foundation for any
7 serious discrimination investigation.

8 Find out if it's a problem and then we should
9 probably - and then if it is a problem, then we
10 really should do something about it and you'll know
11 where to look because you know what? You'll have the
12 data. So, that's my opinion and thank you very much
13 for allowing me to speak.

14 CHAIRPERSON SANCHEZ: Alright, thank you. Thank
15 you Matt. I want to go back to you because I
16 promised you extra time.

17 DAVID FITZ HENRY: So, are you going to ask me or
18 do I have extra time? Go ahead.

19 CHAIRPERSON SANCHEZ: Extra time to stand on
20 anything that you wanted to.

21 DAVID FITZ HENRY: Okay good, thank you for this
22 extra time. I want to emphasize that there's really
23 been no hard data here that's been presented. It's
24 really hearsay. When pressed for numbers, the
25 numbers were very scarce at best and in fact, I have

2 a question for you. For those realtors that came up
3 here and who brought these examples of
4 discrimination, which have not been documented. Why
5 did they not point those applicants in the direction
6 of the Human Rights Committee?

7 There would be actual numbers here and so, I have
8 to conclude in my profession as a scientist, that
9 there are lacking information and therefore the
10 claims are unsubstantiated and you know if it's
11 unsubstantiated, then why are we even considering
12 these measures?

13 CHAIRPERSON SANCHEZ: Thank you. Thank you and
14 so I will respond to you all to please continue to
15 send your examples from your co-ops, how many
16 rejections over how ever long you've served on the
17 board. Have you personally witnessed and what
18 reasons if you want to share that with us and we're
19 going back to the realtors with the same information?
20 We're going to go to the Attorney General and request
21 this information. We're going to go to as many
22 sources as we can because anecdotal information is
23 helpful.

24

25

2 DAVID FITZ HENRY: They clearly did not receive
3 the education that's been advocated for board members
4 and they really should be encouraged.

5 MATT MCLANAHAN: I have to say and this is really
6 important. Anecdotes are not data. They are a kind
7 of information and they can begin to tell a story but
8 they're subject to all kinds of bias and all kinds of
9 like confirmation bias, all kinds of like
10 interpretative problems. If this is a problem, we
11 need to understand what it is and I'm totally in
12 favor of that because if there is discrimination, I
13 would want it to be rooted out. Having been a victim
14 of discrimination in my life, which is nothing
15 compared to the stories of I'm sure of some people.
16 You know I like hated it right and I would never want
17 anyone to go through that.

18 CHAIRPERSON SANCHEZ: Yeah, thank you. Thank you
19 so much to this panel, really appreciate your time
20 and for sticking with us.

21 Julian Parker, Eric Blaha, Tabitha Ward, Lucy
22 West. Let's see how many seats. Logan Phares, Amber
23 Schwartz. Okay and whoever is ready can begin.

24 JULIAN PARKER: Good morning Chair, members of
25 the Committee. My name is Julian Parker. I'm the

2 Founder of Solid Ground and a Robin Hood Foundation
3 Blue Ridge Lab's Founder's Fellow.

4 At Solid Ground, our focus is on converting
5 underused office space into deeply affordable shared
6 housing for New York's essential workers. These are
7 our teachers, child care providers, nurses, social
8 workers, the people who keep this city running.

9 I'm sure you understand the severity of the
10 housing crisis, so I won't go into the data there.
11 What I will say is for single adults trying to stay
12 rooted here, the current system doesn't work. The
13 legislation in the shared housing bill is one of the
14 first real structural steps toward closing that gap.
15 It recognizes the way people actually live today and
16 finally unlocks housing type that meets that reality
17 with dignity.

18 But I want to highlight something that the Shared
19 Housing Roadmap expresses very clearly. What makes
20 shared housing work is not the floor plan. The key
21 to success is how the space is managed day to day.
22 New York has already seen what happens when communal
23 housing is managed poorly. When there are no
24 standards or oversight, even well-meaning operators
25 can end create conditions where discrimination goes

2 unaddressed, support breaks down, and residents are
3 left unprotected. Many residents, including myself
4 experience versions of this in the days unregulated
5 co-living environment and those outcomes are inherent
6 to shared housing. There was gaps in standards,
7 oversight and the day to day management practices
8 that keep buildings safe, clean, and predictable.

9 The strength of this legislation is that it
10 begins to surface and close those gaps. It sets a
11 regulatory foundation of the next generation of
12 shared housing is consistent, transparent,
13 professionally run, privacy protected and built on
14 clear, enforceable standards.

15 The people running these buildings will need to
16 deliver on those standards in the way residents
17 actually need day to day. That includes things like
18 real bathroom privacy, personal fridges. Sorry, may
19 I continue?

20 CHAIRPERSON SANCHEZ: Yeah, you may conclude.

21 JULIAN PARKER: Uhm personal fridges and pantries
22 and predictable mail access for long term stability.
23 We must manage these homes with the discipline and
24 efficiency that ensures public dollars go further,
25 not forever and at the end of the day, the point

2 homes that actually support the people, keep the city
3 running, home for stability, dignity and opportunity
4 are the norm, not on just day one but year after
5 year.

6 This work is not in isolation, we're here to help
7 convene or join working groups of operators, tenant
8 advocates, labor partners, building owners to support
9 the alignment of this new category. Our priority is
10 making sure that this works in practice. I support
11 that work. I've also developed some recommendations
12 on operator standards, conversion pathways and
13 affordability. I'm happy to share that with the
14 Committee as well as HPD as framework moves into
15 implementation.

16 This is going to finally give essential
17 affordable workers - sorry, essential workers
18 affordable, high quality options, built to the New
19 York standard, a standard that once again positions
20 this city as a leader in solving one of the defining
21 housing challenges of our time.

22 The shared housing both rises a foundation for
23 that ecosystem to merge responsibly, it's a necessary
24 a timely step and I strongly support its passage.
25 Thank you for your time.

2 CHAIRPERSON SANCHEZ: Thank you so much.

3 TABITHA WARD: Good afternoon. My name is
4 Tabitha Ward and I would like to offer some solutions
5 for - to allow New Yorkers to participate in
6 affordable housing. One of the solutions with the
7 also - will include the repairs of affordable housing
8 is to allow all tenants or all renters to include
9 those who are receiving housing vouchers or rental
10 assistance to hire outside contractors to come in and
11 make repairs and/or replacements for major
12 appliances, if and when the landlords do not respond
13 to the work orders in a specified period of time.

14 These outside contractors could be required to
15 adhere to a specific list of qualifications. The
16 tenants within pay the rent minus the cost of the
17 repairs and provide the original receipt to the
18 landlord and an explanation for the unpaid rent
19 amounts.

20 For large and extensive building wide repairs,
21 the city should withhold, not just suspend but
22 withhold any and all federal, state and city fundings
23 to allow the fundings to pay for the repairs and
24 instead of sending the bill to the landlord, send
25 them the receipts. Just because you send a bill to a

2 landlord doesn't mean he's going to pay it, however,
3 you should send the receipts to allow all interested
4 landlords to participate in the city's affordability
5 housing crisis by allowing perspective tenants to
6 receipt their way into affordable and rent stabilized
7 housing. The landlord should allow the perspective
8 tenants to hire outside contractors to come in and
9 pay for the move in preparations, the repairs, the
10 cleanups, any major appliance replacements and
11 bringing the apartment units up to code and other
12 responsibilities that are necessary to move in and
13 live in the approximately 50,000 apartment units that
14 are unrented throughout New York City. The
15 perspective tenants can then pay to have the
16 apartments made available and to move in and provide
17 the original receipts to the landlords.

18 May I conclude?

19 CHAIRPERSON SANCHEZ: Thank you.

20 TABITHA WARD: To provide the original receipts
21 to the landlords and the aforementioned will address
22 slumlords, unrepainted work orders, unsafe living
23 conditions, apartment units not being up to code, and
24 it will address the aforementioned that will remedy
25 large building wide repairs and address the

2 affordable housing crisis that we're dealing with in
3 New York City.

4 CHAIRPERSON SANCHEZ: Thank you.

5 LOGAN PHARES: Thank you Chair Sanchez for the
6 opportunity to testify in favor of bills being
7 presented today. My name is Logan Phares, I'm the
8 Political Director at Open New York, an independent
9 grassroots pro-housing nonprofit working to solve New
10 York's housing crisis.

11 New York is in the midst of a deepening housing
12 crisis, as you know more than half of renter
13 households are now rent burdened, paying over 30
14 percent of their income on housing and for the most
15 vulnerable New Yorkers, this shortage is not just a
16 financial strain. For many, it means displacement,
17 tenant harassment and homelessness. At Open New
18 York, we often say that the above approach is
19 required to solve the housing crisis. We need more
20 supply but we also need deeper tenant protections.
21 We need new diverse housing options like those
22 allowed in Introduction 1475 but we also need anti-
23 discrimination laws, such as what is being proposed
24 in Introduction 407. I'm here today to speak in
25 support of both of these bills.

2 Introduction 407 is a commonsense solution that
3 simply seeks to require co-op boards to provide a
4 specific reason for the rejection. The co-op boards
5 acting in good faith should have no issue complying
6 with this law. If we're serious about making
7 homeownership more equitable, we must eliminate the
8 practices that have made it inequitable in the first
9 place.

10 We urge the Council to pass Introduction 407 to
11 make it clear that the city will no longer tolerate
12 housing discrimination. Turning to Introduction
13 1475, shared housing more commonly known as single
14 room occupancy hotels, SRO's has a long history in
15 New York City. Though SRO'S were readily available
16 and affordable housing type for newcomers to the city
17 for the first half of the 20th Century, their
18 construction was banned in 1955 and tons of thousands
19 of these extremely low cost housing options have been
20 lost. We applaud the work that Council Member
21 Bottcher and HPD are doing to bring back this
22 inexpensive housing option in the midst of a historic
23 housing crisis. While we support the intent of the
24 legislation, we're concerned that some of the
25 requirements outlined in the bill could increase the

2 cost of construction and make their design less
3 feasible, leading to higher rents on units that
4 should be the most affordable option. We look
5 forward to further conversations with the Council and
6 HPD to ensure the bill will encourage as many
7 affordable new homes as possible.

8 We'd also like to express our support for
9 Introductions 438 and Introduction 1120. Thank you
10 for the opportunity.

11 CHAIRPERSON SANCHEZ: Okay, excellent, thank you
12 so much to this panel, appreciate you. Richard Mark,
13 Richard W. Mark, Christopher Leon Johnson, and Martha
14 Greenough.

15 MARTHA GREENOUGH: Martha Greenough, I'm the
16 President of a 50 unit co-op, upper west side. I've
17 been on the board 25 years. Uhm, so many people have
18 talked about the admissions. Let me talk briefly
19 about your bill and I absolutely agree that someone
20 entering the biggest financial decision of their life
21 needs accurate information. Here's the problem,
22 RAND, a big New York engineering firm said our façade
23 project would cost \$900,000. Three years later, it
24 was \$4 million.

2 If I am on the hook to somebody who bought in the
3 interim for misleading them for making the biggest
4 decision in their life, I quit. I cannot afford to
5 continue to be board president. I can't afford to
6 serve on the board. It's too much risk for me.

7 So, capital plans as someone said earlier, are
8 highly variable. It's New York, stuff happens and
9 the Landmarks Commission save us happens. So, annual
10 reports, no problem. Minutes, no problem. Capital
11 plans, not feasible.

12 Let me talk briefly about the admissions. As
13 someone said earlier, uhm nuance and flexibility is
14 really useful and as the original guy on the screen
15 said, if we are required to be consistent, it's much
16 harder to give people slack. Examples, before gay
17 marriage was legal, we had a couple who wanted to buy
18 but in the trust because gay marriage wasn't legal.
19 We don't allow trusts. For them, we did.

20 One African American and they've been wonderful
21 tenants for the last however many years. Another,
22 another gay couple, guy inherited from his partner
23 after he died of AIDS who he had through, his
24 finances were not within our parameters, not even
25 close. We made it work.

2 Third example, current, uhm a young couple uh,
3 got in a graduate program, wanted to be able to swap
4 with another couple so that they - they lived in the
5 new place during the school year and another couple
6 who was going to school nearby near Columbia, they
7 just switched but normally acceptable. For them, we
8 made it work young couple, they really wanted to keep
9 the apartment. If we can do nuance like that, great
10 but if we have to be consistent, one, we're going to
11 up our standards. We're going to require more
12 downpayment, we're going to require higher financial
13 requirements so that we are not taking on risk and we
14 will not be able to create individual flexibility
15 that reflects peoples situations. So, thank you and
16 thank you for a really impressive hearing.

17 CHAIRPERSON SANCHEZ: Thank you.

18 RICHARD MARK: Good afternoon Madam Chair.

19 Richard Mark. I am currently the President of 390
20 Riverside Owners Corp. I've lived there since 1984.
21 I've been on and off the board many times and uhm,
22 I'm a long time litigation practitioner in New York
23 City, now in private practice but I have extensive
24 experience also in government, working both for the

2 US Attorney in New York and for the New York City
3 government at the Department of Investigation.

4 I come to speak against 407, 438, and 1120, in
5 particular for 407 and 1120, I would reiterate the
6 issue of cost that is imposed and the
7 inappropriateness of the remedies. Costs are not
8 just financial. Costs are to board recruitment. I
9 have heard already from people, it's hard enough to
10 recruit for the board in this building. The reason
11 I've been on so many times and that certain people
12 serve and serve and serve is because they are willing
13 to undergo the stress and it is incredibly hard to
14 recruit for these boards. To have that additional
15 layer would make it very difficult. The remedy
16 section, the business of signing the proposal that
17 you sign a statement under penalty of perjury, that
18 is an incredibly serious thing to do and to do it
19 while making a representation about what you know and
20 is in someone else's mind, is that is not - that
21 doesn't really fit a good legal construct, in my
22 view. So, that also is a nonstarter but it will
23 scare people off. It will undoubtedly, I have
24 already heard this, it will undoubtedly increase
25 insurance costs. It's not as if you can get actual

2 insurance for you know discrimination, uh you know
3 committing lawful discrimination but you can, you
4 would have, coverage for litigation costs. And
5 again, a lot of the purpose behind bringing lawsuits
6 and whatnot, is not necessarily to win but it
7 inflicts tremendous costs and people will settle
8 because of that whether they have a good claim or
9 defense or not. And so, it will undoubtedly increase
10 insurance costs.

11 The last point I'll make on this, the structure
12 of a co-op and of the way people want to live in a
13 co-op, means that boards are incredibly incentivized
14 to approve deals. We want people to be able to
15 transact, to do the transaction, to get a good value,
16 and to have the sale go through. People aren't
17 sitting there in the back room trying to figure out
18 how to deny their neighbor the ability to move out
19 when they want to move out. They want the deal to go
20 through. They want the price to go up. They want
21 that to happen.

22 And so, the notion that people sit on these
23 things forever and let them ripen until they rot or
24 something like that is not something that I have seen
25 in my experience and is contrary to the basic

2 financial interests of the co-op. so, I don't know
3 that that works. Last point, I agree with the
4 witness to my right, on 438, the business about the
5 capital plans, we had a similar experience with uhm
6 our façade renovation, which happened during the
7 COVID crisis and the way that the work had to happen,
8 drove the cost of that up significantly and to end up
9 being on the hook for that with the way capital plans
10 go and the way renovations go is just nuts. So,
11 unless you have further questions.

12 CHAIRPERSON SANCHEZ: Yeah, no thank you. We're
13 going to move to our third witness but I just want to
14 say thank you on that specific point on capital
15 planning and also the flexibility. The examples you
16 gave are very helpful. Thank you.

17 CHRISTOPHER LEON JOHNSON: Yeah, hello, my name
18 is Christopher Leon Johnson. I am here to show
19 support for these items on ticker. But I want to say
20 is right now, my concerns is that uhm I think that
21 you Mrs. Sanchez, should start making sure that
22 people are fully protected in these co-ops. Because
23 there are certain co-ops that are not safe. I used
24 to work in UHAB. I used to work as a Security Guard
25 for UHAB for a couple weeks and I'm going to tell you

2 like in Harlem, that's it's a war zone over here.
3 It's a big war zone and what needs to start happening
4 more in the City Council is that they need to start
5 making it where that organizations like you have are
6 held accountable for their actions because UHAB does
7 a lot of things where it's really counterproductive
8 to the tenants and what it does with UHAB is that it
9 hurts everybody. It hurts the tenants. It hurts
10 people that like people like here that's opposed
11 to this stuff, because they use this as a reason to
12 say, "oh, we don't want this." Because the people
13 that you have allowed in are the ones that they don't
14 want because those people are like, like I call them
15 undesirables. Like they're just people that like
16 they should not be living in places like that.

17 Uhm, but I'm concerned about safety when it comes
18 to this bill. This is going to hurt these people
19 here more than everybody else because if they open up
20 like with these laws where like, you can't
21 discriminate against pedophiles like Douglas Powell,
22 you know you let these people in and they go live
23 next to your kids. And I know you have kids Mrs.
24 Sanchez and you don't want to pedophile living next
25 to your kids that one day you're home and then you

2 heard that they hurt, like sexual molested your kid.

3 But this is a concern here.

4 One more thing I want say is that I know you have
5 a constituent in your district that lives in a co-op,
6 that's under UHAB and I think that with this
7 conversation going forward between these guys, these
8 people that's opposed to the bill and these people
9 that are for the bill need to have her in that
10 conversation because she lives in a UHAB development
11 and it's at 1103 Franklin Avenue in the Bronx. Here
12 name is Lydra Golapa(SP?) of the Worker Justice
13 Project and I think that you should have her in that
14 conversation because she actually owns a co-op in the
15 Bronx, which is under HDFC, which is under UHAB and I
16 know she's an influential labor leader in the city.
17 You ought to all listen to her. So, going forward, I
18 think you should have her in this conversation too
19 because I think that uhm, she could probably be the
20 voice of reason between the two sides because she
21 works close with the City Council.

22 CHAIRPERSON SANCHEZ: Thank you.

23 CHRISTOPHER LEON JOHNSON: So, thank you so much.

24 CHAIRPERSON SANCHEZ: Thank you. That's not my
25 district but thank you so much, appreciate it.

2 CHRISTOPHER LEON JOHNSON: Yeah, yeah, yeah, no
3 problem, no problem, sorry about that.

4 CHAIRPERSON SANCHEZ: No worries.

5 RICHARD MARK: Council Member there's one point
6 that I forgot to add that if you would tolerate just
7 40 seconds.

8 CHAIRPERSON SANCHEZ: I will tolerate it.

9 RICHARD MARK: Thank you. There had been
10 discussion during the day about the remedy and
11 whether it was individual liability or not for
12 certain situations and we saw what was in the bill,
13 that there is individual risk that is presented there
14 but also, it was often met with the comment, well, it
15 goes against the corporation, it's not against an
16 individual. As if the corporation was something
17 else. For these nonprofit co-ops, every one of these
18 costs that has been discussed today, increased
19 insurance, litigation risk, and so on is paid by your
20 neighbors and shareholders. It's not as if there's
21 some big corporation with huge capital reserves
22 sitting out there that has money to you know sitting
23 there. One person mentioned earlier saying, "I'm
24 going to have to create a litigation reserve now for
25 this kind of thing."

2 These places operate on break even budgets and
3 with all the costs that have gone up, as you have
4 heard in this, the idea that saying, "well, it goes
5 against the corporation." As if that's - that
6 someone else is going to pay it. When you say it
7 goes against the corporation, it's the shareholders.
8 It's the neighbors that you're with and so on and
9 they're all paying for that.

10 So, the idea that oh, I'll feel okay because I'm
11 not going to pay it. You are paying it. Very
12 important. Thank you very much.

13 CHAIRPERSON SANCHEZ: Thank you. Thank you.
14 Thank you so much to this panel.

15 PANEL: Thank you. Thank you.

16 CHAIRPERSON SANCHEZ: Alright, I am pleased to
17 announce that we're now moving to remote testimony.
18 You thought it was over, no it's not. We will now
19 turn to remote testimony. Once your name is called,
20 a member of our staff will unmute you and the
21 Sergeant at Arms will give you the go ahead to begin.
22 Please wait for the Sergeant to announce that you may
23 begin before delivering your testimony.

24 Okay, so first up we have Julia Engel followed by
25 Marc H. Schneider.

2 SERGEANT AT ARMS: You may begin.

3 JULIA ENGEL: Hi there. My name is Julia Engel
4 and I'm the President of the Association of Riverdale
5 Co-ops and Condo's, which includes up to 130 co-op
6 and condo member buildings in the Bronx, mostly
7 within the 11th and 14th District. Thank you
8 Councilwoman and as a co-op board member myself,
9 thank you for the opportunity to testify in
10 opposition of these three proposals. I will focus on
11 407 because of time constraints. As a co-op board
12 member, as we all know it is a volunteer position.
13 We've heard that several times. Of the over 1,300
14 apartments, which make up just my personal co-op,
15 only ten shareholders make up my co-op board. We
16 should have thirteen and again, that's less of one
17 percent of all apartments. It is increasingly
18 difficult to find volunteers for co-op boards as it
19 is and adding a requirement of a five day turnaround
20 for a signed affidavit submitted under penalty of
21 perjury would frankly probably cause me personally to
22 resign as a board member.

23 It was said that the law is not being proposed to
24 attack boards or individual board members, while I
25 understand that, it's not that it's no more risky

2 then already exists. This is false. I'm sorry to
3 say that but I for example, am a licensed lawyer, so
4 submitting an affidavit under penalty for perjury for
5 an unpaid volunteer position, regardless of what it
6 says or why it's being put in place could frankly
7 jeopardize my law license and my entire livelihood
8 and this would absolutely deter shareholders who are
9 currently in the workforce or with young children to
10 be on co-op boards.

11 Co-op board members are an elected body. There
12 are laws protecting elected officials. At a minimum,
13 there should not be laws jeopardizing the livelihood
14 of a co-op board member volunteer. It was stated
15 earlier that the board could submit its minutes as a
16 path forward, unfortunately perspective shareholder
17 approvals are generally not required by law or co-op
18 bylaws to be placed in the meeting of any minutes.
19 Folks should be a little bit careful when they're
20 submitting testimony like that because it's just not
21 true unfortunately.

22 Further, it's likely the managing agent who is
23 making these determinations and the name of the co-op
24 board. Why is the obligation not being placed on
25 them as a paid representation of the co-op? the

2 realtors are also being paid and those who spoke
3 today are supportive of the legislation. Why are
4 they not implicating the process or the lawyers or
5 the banks or everyone together, etc..

6 SERGEANT AT ARMS: Your time has expired. Thank
7 you for your testimony.

8 CHAIRPERSON SANCHEZ: Thank you. Thank you so
9 much Julia. Is there any other title that you wanted
10 to mention that potentially should be named in any
11 legislation we consider moving forward, aside from
12 realtors and managing agents?

13 JULIA ENGEL: Yeah, you know the lawyers, the
14 banks, you know or everyone together frankly. I
15 understand why this is being put in place. It's a
16 team effort to get these approvals through right and
17 each one causes delay, right that's uncontrollable by
18 a board member. Why isn't it taken together? Why is
19 it the unpaid volunteers and frankly the shareholder
20 homeowners who are the focus of this law? Why isn't
21 everybody the focus?

22 CHAIRPERSON SANCHEZ: Thank you and does the idea
23 that or the concept that clocks start ticking after a
24 complete - uh an application, a complete application
25 is received by the board? Does that help with that

2 concern that the realtors and others are causes of
3 delays?

4 JULIA ENGEL: That's a great question. Received
5 by the board is what I want us to take issue with.
6 It is not received by the board. It is received by
7 the managing agent to process, right? And so again,
8 there are you know many, many steps in this process,
9 right? It goes to the managing agent, then possibly
10 it goes to the board right? It doesn't necessarily
11 go to the board. A lot of times it's the managing
12 agent who will automatically reject because they
13 didn't meet the debt to income ratio or something
14 like that. So again, to focus on the board has
15 received, is unfortunately just not accurate but you
16 know, I'd be happy to discuss more about what the
17 process is and how many people have their hands
18 right, and their fingers in the pie, so to speak
19 because I really think that that is the down turn,
20 right?

21 And in terms of timing, whether we talk about
22 five days or forty-five days, it doesn't necessarily
23 matter. I understand forty-five days seems
24 extraordinarily generous but I think the issue is
25 that it's just so many different links right in the

2 chain of needing to get it to an approval. So, it's
3 not always the board right that's just kind of
4 sitting on things. Maybe something gets stuck under
5 the managing agent staff and it just you know gets
6 misplaced and that should not happen frankly, right
7 because they're being paid to do a job and this is
8 the job they're being paid to do. But I guess my
9 point is it really should not fall to the volunteer
10 members of the co-op boards.

11 CHAIRPERSON SANCHEZ: Got it. Okay, well thank
12 you Julia for taking the time to listen in today and
13 participating and appreciate your time.

14 JULIA ENGEL: Thank you so much.

15 CHAIRPERSON SANCHEZ: Next, is Marc Schneider
16 followed by Miranda DeNovo.

17 MARC SCHNEIDER: Good afternoon Chair and members
18 of the Council. My name is Marc Schneider; I'm the
19 CEO and Managing Partner of Schneider Buchel LLP. I
20 also serve on both the New York City Bar Associations
21 Cooperative and Condominium Law Committee and I am
22 one of the Co-Chairs of the New York State Bar
23 Associations Condominiums and Cooperatives Committee.

24 I'm here today on behalf of the hundreds of co-op
25 buildings and co-op boards that our firm represents

2 as well as the shareholders and residents, all of
3 whom will be directly harmed by these bills. I too
4 testified in connection with the earlier attempts to
5 pass similar laws.

6 It is important to note New York City Co-Ops are
7 not for profit landlords. They are self-governing
8 communities where their shareholder residents
9 collectively fund every expense from the co-ops
10 underlying mortgage to the electricity and heating
11 bills for the building.

12 When an applicant is approved, the existing
13 residents are quite literally taking on a financial
14 partner. When an applicant becomes a shareholder and
15 then fails to pay monthly maintenance, every other
16 shareholder must burden that - shoulder that burden.
17 And that is why co-op boards acting on the fiduciary
18 duty must have authority to evaluate whether a
19 perspective purchaser can meet the buildings
20 financial obligations. The reality is this, the
21 overwhelming majority of applicants are approved and
22 you've heard that today. The small percentage denied
23 are almost always due to a financial risk, not
24 discriminatory reasons.

2 If you look at the discrimination claims brought
3 against co-op boards, they're almost never related to
4 a purchase application and you heard some support for
5 that today. They're typically centered around other
6 issues involving existing shareholders. The simple
7 fact is the legislation before you does not reflect
8 the reality. Let's look at the first one, the 407.
9 This bill would force volunteer board members who
10 have volunteers and neighbors, not corporate
11 landlords to certify detailed reasons for denial and
12 the penalty of perjury within five days to expose
13 them to statutory damages and nearly guaranteed
14 litigation. We heard about the legal fees provision,
15 what's that going to invite? Lawyers who are going
16 to say, "I'll take that case." Because there's a
17 likelihood of settle. This places volunteers in
18 legal jeopardy simply for fulfilling their fiduciary
19 responsibilities as volunteers and you heard people
20 today say -

21 SERGEANT AT ARMS: Your time is expired.

22 MARC SCHNEIDER: Okay.

23 CHAIRPERSON SANCHEZ: Thank you. Thank you so
24 much.

2 MARC SCHNEIDER: Are there any questions that
3 anybody has?

4 CHAIRPERSON SANCHEZ: No, but if you could follow
5 up with written testimony, that would be helpful.

6 MARC SCHNEIDER: Can I give you a concluding
7 paragraph?

8 CHAIRPERSON SANCHEZ: Sure.

9 MARC SCHNEIDER: Thank you. So, taking together
10 these bills assume systematic discrimination or
11 mismanagement where none has been demonstrated. They
12 are over correct to proceed not actual problem using
13 punitive mandates that will destabilize governance,
14 increase litigation, raise insurance costs and
15 ultimately harm the very residents they claim to
16 protect. I urge the Council to reject the bills.

17 Thank you for your time today.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you.
19 That's a privilege for people in the room who are
20 hungry and have to use the bathroom like I do. I'm
21 sorry. Alright, next up is Miranda DeNovo followed
22 by Alexis Foote.

23 MIRANDA DENOVO: Hi, I'm so sorry, one second.
24 Oh okay, hello. Uhm, sorry I've been waiting a long
25 time so I had to pop out. Hi, my name is Miranda

2 DeNovo. I'm a Community Organizer in Ridgewood. I'd
3 like to tell you a personal story about living in
4 shared housing and how I became homeless as a direct
5 result.

6 I moved to New York City in 2016 with no family
7 and a serious undiagnosed medical condition earning
8 just above the poverty line. I've lived in all kinds
9 of quasi legal shared settings, mostly in and around
10 Bushwick with a revolving door of women and queer
11 people in similar financial circumstances.

12 In 2020, I was sharing a two-bedroom apartment on
13 Mertle Broadway with two strangers. When the
14 pandemic hit, both my roommates moved home with their
15 families. I had nowhere else to go, so I stayed. My
16 rent went from \$600 a month on a \$40,000 salary to
17 \$2,000 a month on a \$40,000 salary. If you're
18 familiar with the math of rent burden, that's 60
19 percent of my income all of a sudden.

20 I applied for the Emergency Rental Assistance
21 Program, ERAP but was rejected and so, I left and
22 availed to the only lifeline I had, which was moving
23 in with a friend and her husband. That was stable
24 until it wasn't. When I got in a fight with the
25 husband and he kicked me out. A stranger from social

2 media let me stay with her for two months and then I
3 had to move again. There's a common argument that
4 doubling up with family or friends can be a
5 protection against becoming homeless but in my
6 experience, it's just another kind of homelessness,
7 one that may keep you out of a shelter but also keeps
8 you in limbo with zero access to services.

9 Five years later, I have my own one bedroom lease
10 in Ridgewood but I'm sharing again with a homeless
11 friend who was rejected from the shelter system for
12 being "too disabled."

13 I cannot stress enough that a 350 square foot
14 apartment is not appropriate housing for two people
15 who both have complex medical needs. But more to the
16 point, it's not appropriate housing for anyone. We
17 should not be normalizing the idea of a city in which
18 30 and 40 years cannot afford to rent their own
19 apartments.

20 At least when I was sharing with strangers, we
21 were able to work out informal deals among ourselves.
22 By contrast, legalizing SRO's will fuel
23 gentrification in neighborhoods like Ridgewood and
24 Bushwick by allowing landlords to charge even higher
25 rents than they already do.

2 Creating a system of regulations to legitimate
3 overcrowding is not as supports are calling it, "a
4 dignified alternative to shelter."

5 CHAIRPERSON SANCHEZ: Thank you.

6 MIRANDA DENOVO: As someone who has lived in -

7 CHAIRPERSON SANCHEZ: Thank you. Alexis. Sorry,
8 your time has expired and you can submit written
9 testimony.

10 MIRANDA DENOVO: I feel abandoned by the city.

11 CHAIRPERSON SANCHEZ: Thank you. You can submit
12 other - I'm sorry Miranda, you can submit the rest of
13 your remarks. Thank you. Alexis Foote is next.

14 ALEXIS FOOTE: Good morning - good afternoon
15 everybody. Uhm, thank you City Council for having
16 this hearing. Uhm, I did write something but uhm as
17 someone who was an at risk youth who grew up in
18 foster care, I'm here to advocate for shared housing.
19 Uhm, and I say that because my mom, Kimberly Queena
20 Johns, may she rest in peace. She died July 22nd of
21 this year due to depression and the fact that the
22 city does not take care of its most vulnerable and I
23 say that as someone who is actually in a shelter with
24 my 20 year old because I'm a domestic violence
25 survivor. The police falsely arrested me due to

2 allegations of my husband and families don't want
3 shared living. Shared living is really for single
4 adults, like the woman who spoke before me. Uhm,
5 adults like my mom, who are older, have mental
6 illness, LGBT from the ages of 18 to 24 but women
7 like me, with children who have careers, we need real
8 housing and this falls on the shoulders of HPD and
9 Department of Homeless Services. And I need the City
10 Council to hear me. I need the Mayor to hear me.
11 The one right now and the one coming in and I need
12 Kathy Hochul to hear me. We need real housing
13 subsidies, housing subsidies. We need to cater to
14 housing subsidies. We need housing for mothers, like
15 myself. We need more 1515 housing. We need
16 supportive housing, which is what my mother was
17 living in, which is on 162nd, which is owned by
18 [INAUDIBLE 05:46:15].

19 It is supportive housing for those who are
20 formerly homeless and for families with mental
21 illness and families. We need shared housing for
22 people like my mom who need a roommate. When you
23 have shared housing, you don't have to worry about
24 the utilities all on your own and not only that but
25 the person that you share your housing with,

2 sometimes it becomes your accountability partner.
3 And what you have to understand is that when you have
4 somebody coming out of recovery and they don't have -

5 SERGEANT AT ARMS: Your time is expired.

6 ALEXIS FOOTE: Okay, I will submit extra
7 testimony but please support real housing.

8 CHAIRPERSON SANCHEZ: Thank you.

9 ALEXIS FOOTE: We need more vouchers. Thank you.

10 CHAIRPERSON SANCHEZ: Thank you. I could not
11 agree with you more. Thank you so much Alexis.
12 Daniel Arnow followed by Kevin Wolfe.

13 SERGEANT AT ARMS: You may begin.

14 DANIEL ARNOW: Yes, thank you Chair and members
15 of City Council. My name is Daniel Arnow and I'm the
16 Executive Director of Actors Fund Housing Development
17 Corporation. Our mission is to increase access to
18 affordable housing for people in the performing arts
19 and entertainment.

20 I'm pleased to provide this testimony in support
21 of the shared housing bill. Thank you to Council
22 Members Bottcher and Restler for sponsoring
23 legislation that would lower barriers to create any
24 shared housing units in New York City while

2 establishing design and operational requirements for
3 these units.

4 The shared housing roadmap produced by HPD, takes
5 a thoughtful approach to reenvisioning the SRO model
6 that can fill a gap in the market, while increasing
7 tenant protections for renters. Shared housing can
8 even increase social connectivity and combat social
9 isolation for vulnerable populations. We know this
10 first hand as an owner/operator of shared housing.
11 The benefits and challenges of this important housing
12 model. The Dorothy Ross Friedman residents is an
13 affordable and supportive shared housing residence
14 including 178 units on West 57th in Manhattan.

15 We provide onsite social services. Apartments at
16 the Friedman are mostly two and three bedrooms in
17 shared suites. Each tenant has their own rent
18 stabilized lease, individual bedroom and shares a
19 living room and kitchen with one or two other people.
20 Some apartments have shared bathrooms; others have
21 private baths.

22 Since opening in 1996, the Friedman has been a
23 unique community asset and provides community and
24 services for individuals who may be isolated or
25 vulnerable in traditional housing. Shared housing

2 also creates unique challenges, especially around
3 roommate conflict. We have created a robust tenant
4 handbook with info and resources, including a guide
5 for living with a roommate, roommate guidelines and
6 conflict management. It's critical to have a strong
7 onsite property management and a social service team
8 to successfully execute a shared housing program.

9 With good legislation like Intro. 1457 -

10 SERGEANT AT ARMS: Your time is expired.

11 DANIEL ARNOW: Last line, and guidance to align
12 building operations and management policies. We can
13 reinvent shared housing to serve future generations.
14 We're happy to support this bill. Thank you.

15 CHAIRPERSON SANCHEZ: Thank you. Thank you so
16 much Daniel. We're going to have Kevin Wolfe
17 followed by Rachel Bradshaw.

18 SERGEANT AT ARMS: You may begin.

19 KEVIN WOLFE: Good afternoon. Good afternoon and
20 thank you Chair Sanchez for the opportunity to
21 testify. My name is Kevin Wolfe and I am the Deputy
22 Director of Advocacy and Public Affairs at the Center
23 for New York City Neighborhoods, which is one of the
24 largest homeowner service organizations in New York
25 City.

2 We support both Intro. 407 and Intro. 1120-A.
3 Together, we believe these bills will increase
4 transparency, accountability and fairness in the co-
5 op market, which is especially critical for Black and
6 Brown homebuyers who face ongoing and historic
7 discrimination. The center has a Black homeownership
8 project that works to promote and protect affordable
9 homeownership for Black families in New York City.
10 The BHP provides services such as the state planning
11 and landlord tenant mediation to help Black
12 homeowners maintain their homes and build
13 generational wealth.

14 During our research phase, the BHP program
15 conducted extensive interviews and focus groups with
16 Black homeowners and homebuyers in New York City.
17 All of them reported experiencing discrimination.
18 Some of them felt that they were treated differently
19 by realtors and housing professionals because of
20 their race. Several homeowners shared that they were
21 steered towards specific neighborhoods and
22 properties, often in disinvested areas and one
23 interviewer even reported that a co-op board seized
24 communicating with him after meeting him in person
25 and discovering that he was Black.

2 Despite existing laws, the evidence is
3 overwhelming that many New Yorkers continue to face
4 systemic barriers including discriminatory lending,
5 appraisal bias and predatory real estate practices.
6 We support increased data reporting and transparency
7 for co-ops so that policy makers, fair housing
8 advocates and law enforcement can better address
9 racial discrimination.

10 By passing these bills and supporting homeowner
11 services, the City Council can take a meaningful step
12 towards closing the racial homeownership gap in
13 stabilizing communities of color. Thank you for your
14 time and for considering these crucial reforms.

15 CHAIRPERSON SANCHEZ: Thank you so much Kevin,
16 really helpful to hear those examples from CNYC.
17 Thank you.

18 Rachel Bradshaw followed by Ruvym Gilman.

19 RACHEL BRADSHAW: Yes, hello Chairperson Sanchez,
20 Public Advocate Jumaane Williams, Majority Leader
21 Amanda Farias, and all members of the New York City
22 Council. So, my name is Rachel Bradshaw - an African
23 American homeowner in the Bronx, a household on food
24 stamps. Through education, hard work, and saving, I
25 became a first time homebuyer. For eight years, I've

2 served as Vice President, Secretary, and Board Member
3 of my cooperative for homeowners corporation, a
4 majority, minority corporation. I'm deeply concerned
5 743-B and 1120-A unfairly target homeowners and
6 threaten the stability of cooperative housing. One
7 of the strongest affordable homeownership paths for
8 working families.

9 In New York City, Black and Hispanic residents
10 make up roughly 44 percent of homeowners, including
11 many income co-ops like Co-Op City Fordham Health.
12 Cooperatives are built on values of democracy, equity
13 and community. They rely on volunteer boards, people
14 like me who receive no compensation, yet carry the
15 responsibility of protecting financial solvency,
16 quality of life and safety. Intro. 407 attempts to
17 solve a problem that barely exists, rejections are
18 rare and when they occur, they are mostly due to
19 financial risk. When buyers cannot afford their
20 units, arrears can reach millions, leaving remaining
21 shareholders to absorb rising insurance, taxes and
22 compliance. Intro. 43-B would force cooperatives to
23 release confidential or incomplete documents,
24 including on audited financials to individuals who
25 are not shareholders yet and may never close.

1 COMMITTEE ON HOUSING AND BUILDINGS 300

2 This creates unnecessary liability and undermines
3 proper governance. Intro. 1120-A imposes unrealistic
4 timelines on volunteer boards and managing agents.
5 Most delays come from incomplete applications, not
6 board review. Smaller and self-managed co-ops will
7 disproportionately be harmed. Collectively, these
8 bills send a message that City Council does not value
9 homeowners, who invest in and remain committed to New
10 York City. Cooperative housing is not the problem -

11 SERGEANT AT ARMS: Your time is expired.

12 RACHEL BRADSHAW: It is an unaffordable community
13 driven model that keeps working families here.

14 My last line. I urge the Council to reconsider
15 these bills and stop policies that weaken cooperative
16 housing that have served New Yorkers for generations.
17 Thank you.

18 CHAIRPERSON SANCHEZ: Thank you Rachel. I just
19 want to clarify that you mentioned two bills in your
20 testimony 1120 and what was the second one?

21 RACHEL BRADSHAW: Uhm, yours. Is it 40-

22 CHAIRPERSON SANCHEZ: 438?

23 RACHEL BRADSHAW: Yeah, 438.

24 CHAIRPERSON SANCHEZ: Okay, so you are not taking
25 a position on 407? On the Public Advocates bill?

2 RACHEL BRADSHAW: Yes, I oppose all of them.

3 CHAIRPERSON SANCHEZ: You oppose all.

4 RACHEL BRADSHAW: All of them threaten the
5 stability of cooperative housing.

6 CHAIRPERSON SANCHEZ: Okay. Okay, thank you so
7 much for your testimony, appreciate it.

8 I will next call Ruvym Gilman and Sergii
9 Starostin. Sorry, I'm saying that poorly but you are
10 after Ruvym. Ruvym.

11 RUVYD GILMAN: Thank you. Good afternoon New
12 York City Council Members. My name is Ruvym Gilman.
13 I am here today representing myself as a resident of
14 a co-op building in New York City and a former co-op
15 New York City board member. While the intention
16 behind the drafting of 407 may be laudable, the bill
17 is fundamentally flawed. I urge the Council to
18 reject 407. The bill with its expectation that co-
19 ops provide a list of reasons for why a purchaser was
20 rejected, tries to color the experience purchasing
21 co-op shares is a purely legal transaction. As if
22 the purchaser is before a court of law and entitled
23 to a full legal explanation for why they were
24 rejected. Anyone on trial should expect such an
25 explanation from the judge but purchasing a co-op

2 share is not like being in a court of law. It is so
3 much more than a financial transaction. Buying into
4 a co-op is about joining a residential community.

5 In this way, the co-op approval process is more
6 like entering into a relationship. It's a decision
7 that in addition to reviewing someone's bonified and
8 credentials as listed on pieces of paper, also
9 involves assessing how someone portrays themselves
10 and whether you feel they are compatible. Would you
11 marry someone based solely on their resume and the
12 size of their bank account?

13 Boards have a fiduciary duty to assess whether an
14 applicant will be a responsible neighbor. This often
15 involves the good faith judgement of the co-op board
16 based on interviews, demeanor, and intangible queues
17 and no, this is code for discrimination. It's code
18 for people having the right to choose their communal
19 partners based on more than what their paperwork
20 says. Can a board reject someone because they were
21 argumentative in an interview or because they were
22 evasive, or even because there just a suspected
23 substance problem because they smelled alcohol on
24 their breath and if they do reject for such a reason,
25 can we really foresee boards writing this out in a

2 formal documentation? Ultimately, unless the board
3 has a clear, financial reason for rejection, the
4 rejected applicant is likely to see the explanation
5 as a pre-text for an unlawful, unstated reason.
6 Boards will be damned if they, damned if they don't.
7 This bill in essence could be a plot line our of
8 minority report. Why? Because this bill polices
9 thought. It erodes the business judgment rule by
10 undermining the genuine honest judgment of a
11 community, treating intuition of suspect and
12 demanding rationalization where sometimes instinct
13 needs to be applied.

14 I urge the Council -

15 SERGEANT AT ARMS: Your time is expired.

16 RUVYML GILMAN: Can I just finish my sentence? Is
17 it okay? Can I finish my sentence?

18 CHAIRPERSON SANCHEZ: Yes, please.

19 RUVYML GILMAN: Thanks. This legislation will be
20 better focused on ensuring a fair and uniformed
21 application process across all co-ops, rather than
22 attempting to mandate and policy the subjected
23 outcome of that process. Thank you.

24

25

2 CHAIRPERSON SANCHEZ: Thank you. Thank you so
3 much for sharing your perspective Ruvym. Next up is
4 Sergii.

5 SERGII STAROSTIN: Yes, I'm sorry. I wanted to
6 testify for 1475. I mistakenly raised a hand so I'm
7 sorry. I will later.

8 CHAIRPERSON SANCHEZ: No problem, you can testify
9 on 1475.

10 SERGII STAROSTIN: Okay, so thank you Council
11 Members and the Committee and first I want to commend
12 you and your colleagues for recognizing shared
13 housing and the essential component in addressing New
14 York City affordability crisis.

15 I'm here on behalf of Outpost Engine Homes and
16 its subsidiaries and we collectively manage more than
17 4,000 housing units across the United States,
18 including approximately 2,000 in New York City. For
19 over a decade, Outpost has built a reputation for
20 providing safe, high quality and affordable housing
21 options and are deeply valued by our residents. So,
22 I want to say that currently the shared housing is
23 not a new or experimental concept. Roughly 40
24 percent of the New York City households are roommate
25 shares and this model has long served its practical

2 market based response to a city's high housing costs
3 and with today's technology like from a roommate
4 matching platforms to flexibilities and management
5 system and building a brand in this domain, the
6 shared housing is a safer, more transparent and more
7 efficient then ever before.

8 However, the proposed legislation has in our
9 opinion some flaws and some requirements that would
10 discourage both property owners and developers from
11 participating in shared housing programs and a few
12 key concepts that in our opinion need to be revised.
13 Are number four, exclusion of frame dwellings.
14 Number five, mandated cleaning requirements. Number
15 seven, the increased minimum bedroom sizes and also
16 limitations on bed counts because the apartments of
17 four or more bedrooms that are the most cost
18 efficient housing options currently.

19 So, uhm, I submit the written testimony to the
20 hearing and would be glad to continue and be part of
21 the discussion further. Thank you.

22 CHAIRPERSON SANCHEZ: Excellent, perfect time.
23 Thank you so much. Sergii, am I saying your name
24 correctly? Sergii?

25 SERGII STAROSTIN: Yes, that's correct.

2 CHAIRPERSON SANCHEZ: Okay, thank you so much for
3 your testimony. I look forward to your written
4 remarks. Next up is Grace Rauh.

5 SERGEANT AT ARMS: You may begin.

6 GRACE RAUH: Oh sorry. Thank you. Uhm, thank
7 you Chair and members of the Committee. I'm Grace
8 Rauh, the Executive Director of Citizens Union, which
9 is now home to the five borough institute at Citizens
10 Union. Our public policy think tank focused on
11 solving some of the big challenges facing New York
12 City. I'm here today to speak in support of Intro.
13 1475, Council Member Erik Bottcher's legislation and
14 in support of the HPD shared housing roadmap.
15 Together, they represent one of the smartest and most
16 cost effective strategies we have to expand housing
17 options for New Yorkers.

18 We all know the problem, New York simply does not
19 have enough housing or enough affordable housing and
20 additionally, we are not building the kinds of homes
21 that people actually need. With millions of square
22 feet of office space sitting empty and hundreds of
23 thousands of new residences needed, now is the time
24 to innovate and embrace new approaches to housing.

2 At Five Borough, we have been calling for this
3 shift for some time. Two years ago, we released our
4 flexible co-living report, which urged the city to
5 legalize modern dorm style units with shared kitchens
6 and bathrooms in office to residential conversions.
7 Essentially, we viewed this as a way to make office
8 residential conversions happen more affordably and we
9 are so thrilled to see our research and ideas
10 reflected in HPD's roadmap and Council Member
11 Bottcher's bill, which seeks to bring many of those
12 ideas to life.

13 Due to the design and layout flexibility, this
14 model has the potential to add twice as many housing
15 units to the market compared to traditional
16 residential conversions of an office. This approach
17 also lowers housing construction costs by maximizing
18 the existing plumbing infrastructure.

19 SERGEANT AT ARMS: Your time is expired.

20 GRACE RAUH: Our report found that flexible co-
21 living is expected to cost about half of the typical
22 \$300 to \$500 per square foot spent to convert offices
23 into traditional apartments.

24 CHAIRPERSON SANCHEZ: Thank you.

25

2 GRACE RAUH: Thank you so much. We encourage the
3 City Council to pass this legislation quickly so that
4 New Yorkers can benefit from the additional new
5 housing. Thank you

6 CHAIRPERSON SANCHEZ: Thank you Grace, appreciate
7 it. I want to take a moment to just shout out HPD
8 for still being here. Mia Perez, I see you. Thank
9 you. I hope you've eaten and gone to the restroom.

10 Uhm, thank you. Okay, I'm going to call on Leo
11 Brazil(SP?), Tyce Rutledge(SP?), Connie
12 Erlanger(SP?), Gal Osana(SP?), Daniel Arno(SP?), Baka
13 Tiem(SP?), Tara Stockum(SP?), Veronique Monier(SP?),
14 and someone also signed up under just Sara. Sara,
15 are you here?

16 Okay, if we have inadvertently missed anyone that
17 has registered to testify today and has yet to be
18 called, please use the Zoom raise hand function if
19 you are testifying remotely and you will be called in
20 the order that your hand has been raised. If you are
21 testifying in person, please visit one of our
22 Sergeants and fill out a slip.

23 Seeing none, I will now close this hearing.
24 Thank you to the members of the Administration and
25

2 the members of the public who have joined us today.

3 The hearing is adjourned. [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date January 1, 2026