

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 - 8<sup>th</sup> 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 Farías) (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 Vetere

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

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

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

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

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



1 differ from your own. Decorum and civility must be  
2 maintained throughout this hearing. It is essential  
3 that even if we disagree, we treat each other with  
4 respect and for any member of the public that would  
5 like to testify, please be sure to fill out a  
6 testimony slip with the Sergeants at the front of the  
7 room and clearly indicate your name, topic of  
8 testimony, and whether you support or oppose any of  
9 the legislation to be heard today. I want to make a  
10 note since we're doing marathon very long hearings in  
11 the Housing Committee. Uhm, when you are testifying,  
12 when the public is testifying, you may not get to the  
13 end of your remarks. You may not continue unless I  
14 give you permission. Okay, that is a procedural -  
15 that is a matter of process. I will probably give  
16 you permission just to conclude. We'll try to keep  
17 the testimony to just two minutes today and I'll try  
18 to make sure - we want to make sure to hear from  
19 everyone but you may not say, I'm going to conclude.  
20 That is not allowed, okay? I will have to cut you  
21 off and I have given - it's just a procedural thing.  
22 I have to give permission okay as the Chair. So,  
23 thank you.  
24  
25

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

leadership in advancing effective housing policy in New York City.

CHAIRPERSON SANCHEZ: Thank you Majority Leader. I'd like to acknowledge that we've been joined by Council Member Restler and Council Member Hudson. I'd now like to turn it over to our Public Advocate Jumaane Williams to read his remarks.

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

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

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

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

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

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

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

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

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



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

PANEL: Yes.

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

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

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

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

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

discrimination based on criminal history and went into effect January 1<sup>st</sup> of this year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

However, policies implemented in the mid-20<sup>th</sup> Century, intended to improve housing quality led to a prohibition on the construction of new shared housing and a sharp reduction in the existing stock.

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

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

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

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



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

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

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

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

25<sup>th</sup>, HPD released New York city's shared housing roadmap, which lays out a path for reintroducing shared housing. The roadmap builds on lessons learned from past shared housing models and recent efforts to expand housing options and opportunities for New Yorkers.

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

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

research analysis and testing over nearly a decade.

Research into the legislative history of shared

housing provided a strong foundation for

understanding the strengths of historic models and

the operational pitfalls to avoid. Conversations

with shared housing tenants, nonprofit and for-profit

co-living operators, policy experts and other

municipalities implementing shared housing models

provided context on modern day operations and best

practices. Collaboration with other agencies

including the Department of Buildings, the Department

of City Planning and the Fire Department as well as

partners like the Administration for Children

Services and the Mayor's Office for Criminal Justice,

ensured a comprehensive, multisectoral approach that

examined the model from a variety of perspectives.

Lessons learned from implementing - from the

implementation of other new housing typologies like

accessory dwelling units informed our legislative

approach.

Taken together these efforts, chart a path to

enable shared housing that ensures robust design

management and tenant protections. As New York City

continues to grapple with growing housing demand,

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

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

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

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

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

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

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

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

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

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

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

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



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

CHAIRPERSON SANCHEZ: Thank you.

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

LUCY JOFFE: Good to see you all again.

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

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

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

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

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

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

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

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

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

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

the Human Rights Law was written at a time when people were on their face being rejected from renting or buying houses purely because of the color of their skin. So, this is a super important topic to us and really the foundation of the Human Rights Law.

Employment cases are the most cases that we receive.

In recent years, we in the housing space, have had several hundred cases, about 500 within that a much, much smaller amount, ten percent more or less relate to co-ops. To complicate the picture a little bit more, a very small number of those relate to sales, the majority of them are about disability

discrimination for current tenants. So, the failure to be able to have a reasonable accommodation, which I know is something Council is very interested in as well. So, disability discrimination is the number

one. Rental discrimination also happens in the cooperative space. So, I would say that is another high area of cases for us. That is either the board is seeking to rent out a unit or individuals legally or not legally are seeking to sublet and we've seen voucher discrimination in this space. As you know that's also one of our top priorities. Uhm, so the short answer to your question is we receive really a

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

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

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

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

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

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

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  
25

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

MAJORITY LEADER FARIAS: What's the number?

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

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

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

MAJORITY LEADER FARIAS: Are you folks -

LUCY JOFFE: I'll also -

MAJORITY LEADER FARIAS: Sorry, go ahead.

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

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

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

CHAIRPERSON SANCHEZ: Can you repeat that?

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

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

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

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

MAJORITY LEADER FARIAS: Got it.

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

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

LUCY JOFFE: Thanks for that.

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

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

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

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



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

7  
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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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  
25

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

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

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

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

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

1                   So, first, I just wanted to understand, it just  
2  
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.

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

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

statement at the time you are rejected, address that?  
Is there some other pathway as you have identified?  
We only change things by changing them, right? So,  
what are the tools in the toolbox that maybe find the  
balance between what we're hearing in terms of the  
co-op boards but also our fundamental mandate is  
addressing discrimination and so, that will always be  
what we are trying to address.

PUBLIC ADVOCATE WILLIAMS: And the bill I have is  
for ten units and up. Do you believe there may be  
reason to include ten units and below?

JOANN KAMUF WARD: Yeah, so again, this is not  
really getting to Councilman Dinowitz's questions  
about the Administrative burden from the anti-  
discrimination agency perspective. People understand  
their rights and obligations more clearly when there  
are less carveouts. So, we have seen in the source  
of income space, there used to be six units or more  
were exempt. That was changed to be where there's  
two units or less, which is what the Human Rights Law  
says for most of the antidiscrimination protections.  
So, that's from an education and outreach  
perspective. That is not about the Administrative  
burdens, which is what we want to hear from the co-op



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

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

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

CHAIRPERSON SANCHEZ: Please.

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

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

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

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

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

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

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

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

5  
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

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

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

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

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

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

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

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

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

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.

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

COUNCIL MEMBER RESTLER: Co-ops that are rentals?

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

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

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

JOANN KAMUF WARD: So, I don't.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

1  
2 exceptionally well run, many are not and sometimes  
3 and it's just, it can be pain staking 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

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

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

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: Thank you. Council Member Avilés.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

17                 MICHAEL SANDLER: That's correct.

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

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

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

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.  
25

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

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

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

1                   this piece of legislation does not create a pathway  
2                   for a conversion of any existing shared housing.

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

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

rooming units. So, that's what we're doing today. Like, this is what we think is the baseline standard for what we want to evaluate and then we'd be happy to follow up with future legislation to consider allowing for legalization of existing shared housing and we would want to do that in a way that doesn't encourage landlords to take existing family housing units offline.

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

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

MICHAEL SANDLER: Yeah, that's a great question. So, there's obviously zoning, the city's housing and building codes, fire code and then also the state multiple dwelling law, all which in some way regulate the construction or operations of shared housing.

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

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

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

COUNCIL MEMBER RESTLER: Right.

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

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

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

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

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



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

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

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

1 the way to go for moving folks out of shelter. I  
2 think that this is something that there's demand on  
3 the market from young professionals in particular  
4 that can be met and that right now, those young  
5 professionals are pulling their resources and taking  
6 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 do with scale. The shape of the

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

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

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

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

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

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

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

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 then 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 then we had in previous  
24 versions of SRO's.  
25

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

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

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

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

LUCY JOFFE: Yeah, like nine days.

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

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

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



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

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

MICHAEL SANDLER: Thank you.

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

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

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

If you have a written statement or additional written testimony you wish to submit for the record, please provide a copy of that testimony to the Sergeant at Arms. You may also email written testimony to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov) within 72 hours of this hearing. Audio and video recordings will not be accepted.

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

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

SERGEANT AT ARMS: You may begin.

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

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

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

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

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

SERGEANT AT ARMS: Time.

CRAIG GURIAN: From assessing whether the reasons were -

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

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

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

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

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



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

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

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

1           This bill does not touch on or intrude on that at  
2  
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

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

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

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

1                    what the bill says and then you can tell me you know  
2                    about what this text says. So, the statement  
3                    required, it says, "the statement required by this  
4                    Section shall include a certification by an officer  
5                    of the cooperative corporation sworn or affirmed  
6                    under penalties of perjury." Under penalties of  
7                    perjury that this statement is true, complete and  
8                    specific [INAUDIBLE 02:29:09] of each and all the  
9                    cooperative reasons. Each person who participated in  
10                   the decision to without consent has stated that the  
11                   certifying officer that such a person had no reason  
12                   for withholding consent. But it's that phrase under  
13                   penalty of perjury, penalties of perjury to the  
14                   individual officers. So, can you talk about how that  
15                   doesn't implicate an individual officer and then talk  
16                   about what I heard what the testimony was from the  
17                   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.

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

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

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

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

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

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

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



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

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.  
25

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

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

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

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

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

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

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

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.

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

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

16           CHAIRPERSON SANCHEZ: Did you conclude?

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

24           CHAIRPERSON SANCHEZ: Thank you.  
25

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

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

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

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

1 without going to the idea of all the reasons being  
2 stated but there be a final response is absolutely  
3 fair. I do think that having listened to the CCHR  
4 representatives this morning, in terms of pursuing  
5 discrimination claims, it seems to me that that is  
6 the proper form rather than individual litigation  
7 subject to perjury allegations against individual  
8 board members. And I do finally say that having  
9 tried to recruit other members to serve on the board,  
10 you should also take seriously that it is not easy  
11 and I would submit that for your consideration.  
12 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 33<sup>rd</sup> 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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: Uhm, no please.

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

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

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



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

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

number. Mr. Kwan, you gave 5, you said 5 out of 325. It's like a 1.5 percent rejection rate more or less. Is there any data, aggregate data to say how many applications there have been and how many rejections there have been? Do you collect that data Ms. Rothman?

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

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

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

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

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

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

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.

So, we need to make sure -

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

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

TAMIA ARIAS: Not yet.

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

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

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

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

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

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

COUNCIL MEMBER DINOWITZ: I appreciate that.

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

COUNCIL MEMBER DINOWITZ: Okay.

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

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

REBECCA POOLE: We have a board meeting on Thursday.

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

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

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

COUNCIL MEMBER DINOWITZ: Thank you. Thank you Chair.



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

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

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

you for your ongoing engagement on this overtime.

Council Member Brewer.

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

We are a 61,000 member real estate trade organization with members across the entire state. I'm going to direct my comments today primarily on and I have some notes but I probably won't refer to them. Primarily on trying to clear up I think some

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

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

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



legislation has the right to a 14 day extension.

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

CHAIRPERSON SANCHEZ: Thank you.

MICHAEL KELLY: Thank you.

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

MICHAEL KELLY: Of course, thank you.

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: Alright, please conclude.

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: Please conclude.

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

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: You may conclude.

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



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

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

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

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

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

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

CHAIRPERSON SANCHEZ: You may conclude.

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

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

1                   COMMITTEE ON HOUSING AND BUILDINGS                   180  
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

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

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

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

You know, did it expire out right? And then they have to relist. So, when you start collecting then you're able to see patterns of rejections or ghosting on deals. Like how long did it stay in contract? 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

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

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

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

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



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

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

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

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.  
25

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

possible forms of discrimination that we've seen. You know in my 22 years, I have seen a run of the gambit. It does vary from building to building and once again, I want to highlight, there are great co-op buildings and I can tell you in West Chester county, once the law was enacted, those buildings who were great actors, their property values went up because they stood out against those who were not acting properly but I have seen it specifically in the areas of age. So, uhm a lot of young buyers - I don't know if you know but right now the average age of any first time homebuyer is 40 years old, is where we are right now. However, there are those who have been successful who are under 30 and I have seen that challenge and sometimes it comes out as they don't have enough work history but they yet have income and assets and some of them literally have funds from their parents, so there's that right? Then also too, one of the saddest spaces where I actually see a lot is more of a hardship circumstance, which is when a person who uhm is the heirs of a co-op. That is one of the hardest and roughest situations is when the family is trying to sell the co-op and then they have

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

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

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

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

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

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



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

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

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

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

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

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

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

COUNCIL MEMBER BREWER: Mostly private houses, yeah.

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

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

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

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

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

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

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

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

CRYSTAL HAWKINS-SYSKA: Yes.

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

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

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

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

COUNCIL MEMBER BREWER: Okay, thank you.

CHAIRPERSON SANCHEZ: Thank you.

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

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

JESSICA ADKE-ELMAZI: Correct.

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

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

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

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

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

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

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

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

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

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

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

1                   COMMITTEE ON HOUSING AND BUILDINGS                   200  
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.  
25



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

JESSICA ADKE-ELMAZI: Right.

COUNCIL MEMBER DINOWITZ: I'm sorry.

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

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

JESSICA ADKE-ELMAZI: So, uhm-

COUNCIL MEMBER DINOWITZ: Just because you mentioned that I -

JESSICA ADKE-ELMAZI: I called you out.

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

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

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

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

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

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

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

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 -

SERGEANT AT ARMS: Quiet in the room please.

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

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

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

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

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



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

3                   CHAIRPERSON SANCHEZ: Thank you.

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

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

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

1 to the gym, I come home. My first call is to my co-  
2 op superintendent. First call in the morning, that's  
3 at eight in the morning. Nine o'clock in the  
4 morning, I call my property manager to find out  
5 what's going on, what happened overnight, what type  
6 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 than welcome to come

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

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

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

CHAIRPERSON SANCHEZ: Thank you.

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

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

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

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

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

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

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

13                  CHAIRPERSON SANCHEZ: Yeah.

14                  GEOFFREY MAZEL: I was a lot younger then.

15                  CHAIRPERSON SANCHEZ: Me too.

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

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

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

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

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

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

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

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

1 lot of folks pointing to this issue of the personal  
2 liability, personal liability. These are volunteers,  
3 we are volunteers. Is there a different way? And I  
4 think the Public Advocate may have asked a version of  
5 this question but is there a way to right enforcement  
6 of this - of a provision like a reasons requirement  
7 in such a way that it's not bringing us personal  
8 liability but it is you know having some  
9 accountability for the board? Because again, you all  
10 and probably many of those boards that you represent,  
11 many of those co-ops you represent are the good ones  
12 but there are bad actors out there. And so, how do  
13 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.



CHAIRPERSON SANCHEZ: Not all of them.

GEOFFREY MAZEL: Not all of them but you know well, we try. We all try and they're volunteer boards and they're elected boards and let's not forget that they're elected like you guys are elected. So, people chose them and if people don't like them, they could vote them out.

As far as liability goes, the problem with 407 and let me start with that is it increase the layers and levels of exposure to the board members starting with the sworn to statement. I've taken polls. I go to about 10 to 20 meetings a month. I have a really fabulous life. I sit on Zoom in my basement for hours and I take a poll. Who would sign a sworn statement? I have not seen - nobody would. You have to be insane. You know you mias well just publish your social security number. So, that's one level of liability. It makes no sense. The way it's written, the document has to be drafted, almost like a court pleading and you heard the gentleman in the beginning, boards change their minds because there's some sort of conspiracy going on and they'll find something later, absurdities, really, really silly testimony.

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

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

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

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

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

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

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

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

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

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

BOB FRIEDRICH: Thank you.

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

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

I got kids, I can take it. Whoever is ready can 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

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

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

CHAIRPERSON SANCHEZ: Thank you.

GARY MARTON: You're welcome.

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

1 and I thought I would address my remarks to 438,  
2 which is the disclosure of information to purchasers.  
3 If a good broker is working to sell an apartment,  
4 they have most of this information. They have our  
5 financial statement. The minutes of our meetings are  
6 available to the purchasers attorney. Uhm, and what  
7 are the other ones I had here? Uhm, excuse me.

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

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



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

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

14                 CHAIRPERSON SANCHEZ: Yeah, thank you so much.

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

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

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

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

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

notice that the standard co-op form contract, which like is used in 99.9 percent of the transactions. 6.3 allows a provision that if the co-op does not act by the scheduled closing date, that there's automatically an additional 30 days added and if the co-op still does not act, either party is entitled to cancel the contract. So, the brokers and people who spoke about people getting stuck in deals for years and whatever, they have not read the co-op contract. There is an out but in terms of the timeline bill, like to have it deemed accepted, the buyer is deemed accepted, that seems to be an extreme remedy. Thank you.

CHAIRPERSON SANCHEZ: Thank you.

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

CHAIRPERSON SANCHEZ: They're all listening online.

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

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

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

Why is it that this Council is so intent on targeting an important class of homeowner in this city? From walk up buildings to those with white glove doorman, co-ops are among the only corporate owners of housing in this city who do not have a profit motive. Our motive as a corporation is to maintain our homes. Would this Council tell a single family homeowner that they are required to consent to the sale of their home within a certain amount of time or it will be done so automatically? There's no way.

Intro. 1120 is just an overreach into the private affairs of New Yorkers. Would this Council require a single family homeowner to turn over every receipt

1 detailing each dollar they've spent maintaining their  
2 home or to outline what work they think their home  
3 might require in the future? Again, there's no way.  
4 Intro. 438 is going to expose sensitive information  
5 to an outside party without any real legal framework.  
6 Further, it's uniquely shifting the burden of  
7 personal responsibility in co-op purchases away from  
8 the buyer, their attorney, and their real estate  
9 broker and it's pushing onto the seller and the co-  
10 op. Would the Council subject a single family  
11 homeowner to threats of perjury and financial penalty  
12 when declining an offer to sell their home? Again,  
13 there's no way.

14  
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

Committee needs to shore up its data and more importantly engage with the co-op community. Thank you.

CHAIRPERSON SANCHEZ: Thank you.

MICHAEL BONFIGLIO: Hello, my name is Michael Bonfiglio. I wanted to thank the Council for allowing me to speak. I'm a Treasurer of the building at Sunset Court Association in 4002 7<sup>th</sup> Avenue in Brooklyn. I've been on the board 20 years now. I'm opposed to all three bills being proposed but especially bill 407 and the entire time I've been on the board, every attorney we've worked with has always advised us not to put specific reasons for why we're uh denying someone because it opens us up to liability and you know people don't want to volunteer when there's added liability.

I heard other Council Members say that it doesn't increase liability but it surely does because once those reasons are down, it could invite lawsuits. Those lawsuits don't necessarily have merit but they could happen anyway. Right now, we're having an issue with a lawsuit that is involved with a dispute between two tenants and the whole boards gotten roped in and because of that our directors at Operators

Insurance canceled on us at renewal and now our new fee is double. So, these do have real consequences and just want the Council to take that in consideration. Thanks.

CHAIRPERSON SANCHEZ: Alright, thank you. Uhm, I just have a clarifying question for Nathan. On 1120, did you say this an overreach into private affairs because the bill would force sales?

NATHAN LICHTENSTEIN: So, my understanding of 1120 is at the end, there's a forced consent to sale for fail to act, at least in a draft that I read. Is that correct?

CHAIRPERSON SANCHEZ: I don't know, that's why I'm asking you. Yeah, yeah, okay.

NATHAN LICHTENSTEIN: It's deemed approved, right.

CHAIRPERSON SANCHEZ: Okay, well it's deemed approved when the buyer and the seller have agreed and the co-op has not responded. Was that everybody's interpretation? You can -

NATHAN LICHTENSTEIN: Correct.

CHAIRPERSON SANCHEZ: Okay, great. Thank you. That's helpful and it's something that I'll take back to the bill sponsor as a concern that I certainly

understand. Uhm, okay, I think you're echo's of other concerns is very clear, so I want to thank this panel for your time today.

PANEL: Thank you.

CHAIRPERSON SANCHEZ: Stay for the drinks. Just kidding. Next up is Mitch Levine, John Vetere, Melissa Marks-Shin, Alison Mason and Stuart Saft. And if there's folks in the overflow room, come on in there's space here for you now.

Stephanie Spadaro, John Kosa and Carol Baird; we're getting to the part where we're trying to fill in seats. Carol Baird, Jill Eisner, Britney McKenzie, Joseph Garcia. Excellent, okay and whoever is ready can begin. Oh, you're going to have to fight to the finish. Just kidding. Just kidding. What's your name now? Okay, I'm sorry Joseph, you're after Britney. I didn't see her stand up, so you have to switch, sorry about that but you're up next Joseph. You're up next, sorry I didn't see her stand up when I called her name. Next panel, yeah, yeah, sorry about that.

No, I mean if you're still here, you're the diehard crew. Okay, whoever is ready, may begin.



MELISSA MARKS-SHIN: Good afternoon. My name is Melissa Marks-Shin. I'm here to express my opposition to Intro.'s 407, 438, and 1120. While it would be disingenuous sorry, to say discrimination of housing in New York City doesn't exist and the reasoning behind these bills is well intentioned, it's equally disingenuous to paint all co-ops with a wide brush and not fully consider the financial ramifications to current co-op shareholders when our city is experiencing an affordability crisis. For the last 19 years, I've served as a board member and currently serve as the board secretary of a modest 26 unit co-op on the upper west side.

In that time, we have never once been unresponsive to an application and we have rejected exactly one applicant upon leaning in their interview that they intended to use their apartment as a short term rental, which our bylaws prohibited. In our building, many shareholders, especially seniors on fixed incomes and young families, already struggle to manage with rising costs. Taking this into account, our board meticulously manages our finances through a lens of affordability.

1           The cost of managing a building obviously  
2           increase from year to year, however, insurance  
3           premiums have skyrocketed. Ours increased 51.7  
4           percent from this year over last year, a figure I  
5           confirmed with our broker this morning, who also  
6           informed me that he can't project how much our  
7           insurance will go up but will absolutely go up if  
8           these bills are enacted.

9           These bills will only add to the burden of  
10          maintenance by increasing insurance costs even  
11          further and create further strain of affordability  
12          for our residents who are not wealthy. The proposed  
13          requirements would expose co-op corporations to  
14          frivolous lawsuits, while also significantly raising  
15          the shared legal expenses that every shareholder  
16          would bear.

17          The mandated justifications for applicant rejects  
18          will expose individual board members to legal risk  
19          and the ten day response requirement and automatic  
20          approval of an applicant for nonadherence is  
21          unreasonable. Living in a co-op is a social contract  
22          that can't be forced by bureaucracy. All of these  
23          create owners expectations on volunteer board members  
24          who have families, jobs and responsibilities. We  
25

1 already act efficiently in responsibility because our  
2 community expects it, not because of penalties.

3  
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.

I'm Mitch Levine, I live in a co-op in the upper West Side, 630 units. I've been on the board 41 years. In 41 years, we have rejected two applicants. We work tirelessly as a board and we are a self-managed building but we work tirelessly as a board to make sure that applicants understand what our requirements are in advance of applying.

We don't want anybody to be rejected but we do have requirements that ensure the fiscal stability of our building and also that the person that's coming in understands that they're moving into a community, not to a single family home. A lot of people don't understand what a cooperative is and it's important that when we do this, that they understand that and that's what their responsibility to the entire community is.

These bills will cause distress financially. They'll cause distress in getting board members to agree. I know although I was a past treasurer, I'm now currently - I don't serve a corporation. I would not sign that document. Anything that says I'm responsible for ensuring that no discrimination took place under penalty of perjury, a criminal offense, is something I could not even abide by.

1                   And I can't speak to what my other nine members  
2                   would do. I mean, we assume that we are operating in  
3                   good conscience and we explore everything that goes  
4                   on. There's no application that does not get full  
5                   consideration by nine members, right? As well as our  
6                   managing agent who tells us when we're crossing into  
7                   an area that's not appropriate. I will oppose it but  
8                   I will say if I may continue, I think the missing  
9                   part of this is education. I think that what goes in  
10                  the application, is of critical importance and every  
11                  board should be required to have a list of  
12                  requirements to go into the house unequivocally.  
13                  They should spell out the timeline.

14                 We tell our applicants that they have two weeks  
15                 to apply. We have two weeks to get the application  
16                 to the board and then according to the cycle that we  
17                 have in terms of when we're meeting, it could be any  
18                 place from 15 days to 45 days in addition to that.  
19                 However, when we actually interviewed the applicant,  
20                 we say to them all the things that they're  
21                 responsible for. If there's a question about the  
22                 finances, it could take as much as an additional 15  
23                 to 30 days to get the documentation that we need.

Our objective is to accept every single applicant that comes to our building and we tell our brokers to make certain that they share with their client exactly what our requirements are.

I think that the overall intent is fine but the mechanism that you're using, the penalties, the timelines, I don't think it works and I think it's going to burden co-ops and it's going to change the way we function. I know certainly it would in ours. Thank you.

CHAIRPERSON SANCHEZ: Thank you. That's very helpful feedback. Thank you.

CAROL BAIRD: Does this work? Okay. Hi, thank you for giving us the opportunity to testify. My name is Carol Baird and I am a retired children's dance teacher who bought a co-op apartment in 1993 at 645 Westend Avenue that has 73 apartments and I just recently joined the board and I've seen that a co-op is kind of micro-Cosmo of a city democracy with much shorter term lets and it's difficult when the larger government entity passes laws that may sound important but have a detrimental effect on the smaller entities that have to comply with them. And

1                   since my building was converted to co-op apartments  
2                   in 1984, real estate taxes have risen 3,400 percent.

3                   Insurance costs often due to legislation and  
4                   passed by the city, have risen 3,380 percent during  
5                   that same time. Inflation during that time, was 204  
6                   percent. So, the city coffers have certainly  
7                   benefitted from co-op owners. And a key word that  
8                   gets banded about is affordability but the Council  
9                   wants to pass legislation that puts a bigger  
10                  compliance burden on co-ops without a discernable  
11                  thing. And one always worries about frivolous  
12                  lawsuits; I'm worried about being a board member now.  
13                  I actually called Jumaane Williams office over a week  
14                  ago to ask what the reason was behind the proposed  
15                  legislation. No one got back to me. So, I also  
16                  emailed. I got no response, so I called the New York  
17                  City Commission on Human Rights and asked them what  
18                  recourse was available after being rejected by a New  
19                  York City Co-Op Board, not for financial reasons but  
20                  for discriminatory reasons. They were very helpful.  
21                  They gave me all kinds of information on how to file  
22                  a complaint and also referred me to two other city  
23                  agencies that could help me.  
24  
25

1           It is also my understanding that the last time  
2           that similar legislation came up in New York City,  
3           the Commissioner on Human Rights testified that there  
4           was no real basis, which I kind of heard today when I  
5           heard they had ten cases over ten years. Can I  
6           conclude?

7           CHAIRPERSON SANCHEZ: Please.

8           CAROL BAIRD: Okay, so I urge the Council not to  
9           pass legislation that makes it more expensive and  
10          onerous to live in a co-op apartment in New York  
11          City. There are already regulations in place to  
12          combat discrimination. It seems like what we need  
13          more of is outreach and oversight on the legislation  
14          that exists, rather than additional legislation.

15          CHAIRPERSON SANCHEZ: Thank you.

16          JILL EISNER: Hi, my name is Jill and I live in  
17          a co-op and I want to speak to Intro. 438 and to one  
18          of the unintended consequences to this bill. It  
19          opens the door for lawsuits on capital plan changes.  
20          Co-ops struggle multiple local laws, every day a new  
21          one, where we have to investigate how to upgrade to  
22          comply and we look at multiple solutions and options  
23          and those could be you know in our meeting minutes  
24          and if we issue that to a perspective buyer and we  
25



don't follow through, we can be sued. How is that in this law? Plan products don't always get executed. Why is this discriminatory? We plan to do a windows for eight consecutive years but things like backflow preventors, which has never been used in the history of a city, which we had to put in our basement, which is ugly. It had to be put in. Uhm, we had to replace our boiler. We have Local Law whatever, 87, 88, 111, so the windows were pushed and pushed but I'm going to sued because I didn't follow through on a capital plan? This is just it's just not fair. My co-op is 33 percent senior citizens; 21 percent receive star benefits. It's all studios and these people can barely afford living on social security to pay their maintenance and now they're going to be subjected to increased director insurance cost to increased, uhm, we're going to have to have a legal reserve fund now, which we've never had before. I find this very gratuitous. I think that that bill 438 needs to be totally rewritten. I am not quite sure what it's trying to achieve at all and I'm very proud that my Council Member and none of the other Council Members in the surrounding districts, nor

Gale Brewer is supporting this bill. Thank you for your time.

CHAIRPERSON SANCHEZ: Thank you, next.

BRITNEY MCKENZIE: Hi, good afternoon. My name is Britney McKenzie. I'm the Policy Director at the Fair Housing Justice Center. Thank you for the opportunity to testify on Intro. 407. We urge the Council to pass this bill and reject any amendments that would weaken its core purpose, transparency. Co-ops offer one the strongest homeownership opportunities and pathways in New York City with over 450,000 units that support long term stability and generational wealth. But too many applicants who do everything right, secure financing, sign contracts submit full applications are rejected with no explanation.

This secrecy creates an environment where discrimination, intentional or not is unchecked, can thrive unchecked. The harms are very clear. First, secrecy shields decision makers from accountability. Second, it makes enforcing fair housing protections extremely difficult. Third, rejected applicants have no idea whether the denial was fair or discriminatory. And four, this opacity discourages

qualified and often unrepresented New Yorkers from even attempting to buy in a building where they are not the demographic norm.

407 is very simple, 407-A, if a co-op board denies an applicant, it must provide a written reason for the rejection. That's it. Similar laws already work in West Chester and Suffolk Counties and the co-ops there continue to function just fine. Opposition to this bill isn't about real burdens, it's about preserving a privilege status quo that keeps many New Yorkers out.

This is a pivotal moment for City Council to stand firmly for civil rights, fairness and inclusion and to say that discrimination behind hidden, closed doors is unacceptable. While this won't transform the housing market overnight, it will finally bring clarity to one of the most opaque barriers to homeownership in our city. 407 is practical, achievable step forward, it sends a clear message no more secrecy, no more exclusion, and no more allowing discrimination to hide behind closed doors. Thank you for your time and your commitment to housing justice for every New Yorker.

CHAIRPERSON SANCHEZ: Thank you. Thank you so much and I just want to make a general statement because you guys are the diehards. If you're still here you really mean it right, so thank you. But again, arguments; I hear a lot of arguments that my co-op or we don't do this, which isn't compelling to me. I won't speak on behalf of other Council Members. It isn't compelling to me on behalf of the bad actors that do exist. So, I just want to call that out because a lot of good information is being shared and a lot of valid; I mean, all the concerns are valid but valid concerns are being shared that we can use to tailor anything that does move forward. I don't know what will move forward, I'm not the speaker but I just want to highlight that specific concern. And just Jill, since you said you don't understand the reason behind the financial disclosure bill, it's not a bill that is about fair housing. It is a bill that's about making sure that perspective buyers because it's my bill. Perspective buyers have the information that they need. I'm really glad again that you and your board do the right thing. I personally have been declined the ability to review minutes, right to review. So, I'm not - I for one am

not seeing that this is the set of requirements that should exist in the bill. The bill is a draft, right and this is why we're having a hearing but even though you and individuals here don't hold back information from perspective buyers, it's a real big problem when somebody's making the biggest financial decision of their life up to that point, that they don't have information.

So again, welcome feedback but you know this bill is crap, you know that doesn't help right? I need constructive feedback from you all so that we can get to the right part of this vision still.

UNIDENTIFIED: [INAUDIBLE 04:48:09].

CHAIRPERSON SANCHEZ: Yes, we'll go one, two, and three.

JILL EISNER: The part that I didn't get to cover is that I don't remember her name but the woman representing CCHR made a valid point that there really isn't enough data to justify many of the provisions in all three bills and we are giving you data by saying we rejected one person, we rejected five people. You know we rejected, so I don't think that necessarily is anecdotal when it is actually valuable data when you have enough people testifying

to the fact that this is not happening in their building.

CHAIRPERSON SANCHEZ: And you would not be giving us that data if we didn't have this hearing, right?

JILL EISNER: Right, no absolutely but my question then also is, what data are you relying on because it seems like many people particularly Council Member Dinowitz basically said there isn't data to support it and it would make sense to me that a bill would be crafted based on data, not to collect data.

CHAIRPERSON SANCHEZ: Well, these aren't all my bills but I said, I said at the hearing two weeks ago, where we were similarly still here at 6:00 p.m., it's 3:00 p.m. you all, it's early but when we were listening to testimony around the short term rental bills, that I am completely against those pieces of legislation but I don't shut down debate, right? I think democracy thrives when you are able to express what you believe in, what is your data and all of that so I do believe that there is a problem here. We know it anecdotally but broadly anecdotally and so, your information, the information that we heard from the different associations of realtors, really

1                   help us to start to understand and maybe, maybe, the  
2                   bills you know go in the direction of helping us  
3                   collect better information than what we have today or  
4                   maybe we have debate now that allows us to collect  
5                   more. But really that's what this hearing is about  
6                   you know for you all who are the most dedicated.  
7                   It's about collecting information from you all about  
8                   where we can go if we go anywhere from here.  
9

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

1                   uneducated and I'm going to - I'm a former teacher,  
2                   so education is the way I believe movements are made.  
3                   People have to understand what their rights are.  
4                   They have to understand how they can avail themselves  
5                   of those kinds of rights and I think that that's what  
6                   the responsibility of the Council is.

7                   In terms of insisting because you represent the  
8                   city government. The city government should be  
9                   providing this information on a much broader scale.  
10                  We as board members are required to take courses and  
11                  sign off that we understand what discrimination is.  
12                  We understand what sexual harassment is. The same  
13                  thing should be true of all board members by the way  
14                  to accomplish the same goals that you want to  
15                  accomplish. Then every single board member will be  
16                  required to take it and sign off on it and say that  
17                  they understood now what the law is and they will be  
18                  held accountable. So, there is a way of doing it  
19                  without being so onerous that we are all testifying  
20                  because we're concerned about our way of living in  
21                  our co-ops. This is not about an issue of anything  
22                  other than we are inclusive by and large, maybe 95  
23                  percent of the people are inclusive in the way they  
24                  consider everything. There are always bad actors.  
25



1                   There are people that pass red lights. There are  
2                   people that drive drunk. I mean that's just simply  
3                   the human condition and this is where we are. But to  
4                   basically put such an onerous burden on a class that  
5                   is attempting to do the right thing and then even not  
6                   only that but causes legal - you know penalty of a  
7                   perjury in the context of a law or automatic recovery  
8                   of legal fees which is an avenue how all the lawyers  
9                   who are not good players gather classes in order to  
10                  accomplish not anything for anybody else other than  
11                  lining their own pockets.  
12

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

1 know the guy that did the floor, the lights the  
2 ceiling, it was delayed by six months and in that  
3 time a new Councilman came in and all of sudden we  
4 can be sued for that because there's a change in the  
5 capital plan. That's in your law 438. That's what I  
6 don't understand. I think that the unintended  
7 consequences of covering everything can hurt and you  
8 don't even realize that and a lot of laws that are  
9 passed. I know up in Albany because I follow a lot  
10 of them very close with my assembly woman, they have  
11 to retract them and rewrite them because of the  
12 unintended consequences.  
13

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?  
25

CHAIRPERSON SANCHEZ: I will allow you to conclude when your time is up. I just want to call a couple more names. Mestawet Endaylalu, Clifford DuPree. Seeing no one rushing to stand, Gerry Moore-Murray, Yvonne Pena, Jesse Horwitz, Brendan Cheney, and Arielle Hersh. Julian Parker, or Arielle, yes Arielle is here. No, not Julian. If Julian is here, not yet. Okay, next one. And whoever is ready can begin.

JOSEPH GARCIA: Okay, my name is Joseph Garcia. I'm a board member, vice president and Chair holder of 4077 Owners Corp on the west side. It's a nearly 100 unit co-op with many retirees, seniors and widows. Although conceived with good intent, I'm here to express our concerns and opposition to three bills. As thorough consideration downstream consequences point to a disastrous outcome for the nearly one million New York City Co-op residents. With respect to Intro. 407, it imposes nearly impossible constraints in the admission process that discourages board service, which I should emphasize and has been emphasized before is a voluntary, elected, unpaid, uncompensated position. The existence of this bill has already caused deep

1 concern among our current board members and co-ops  
2 will spend excessive legal insurance and  
3 administrative fees to assure board members, or  
4 assessments will be farmed out to third parties. The  
5 consequence will be increased cost, which will be  
6 passed to shareholders and less diverse, less  
7 equitable and less inclusive communities.

8 Intro. 438 mandates release of unofficial  
9 documents estimates or statements to protective  
10 purchasers. It will stifle discussion of pending  
11 costs as mentioned earlier, that are imposed by New  
12 York City, New York State or the federal government.  
13 The consequence will be [INAUDIBLE 4:57:05] boards  
14 adverse co-op at risk for litigation simply for being  
15 responsible and proactive.

16 Intro. 1120-A imposes unrealistic timelines and  
17 impedes a fiduciary responsibility to co-op  
18 admissions. It effectively forces boards in some  
19 cases to consider inaccurate, inconsistent,  
20 incomplete or fraudulent applications. The  
21 consequence may be forced acceptance of irresponsible  
22 individuals, some of whom could threaten the  
23 environment, finances and even safety of vulnerable  
24 co-op residents. New York co-ops are a shiny example  
25

of how well a communal housing functions when managed by and for the people. Despite the tone of the bills authors and some of its supporters, the human rights reps as testified earlier, have confirmed that discrimination by co-ops is a virtual nonexistent problem.

Given these concerns, we respectfully urge the Council to reject Intro. 407, 438, and 1120-A.

CHAIRPERSON SANCHEZ: Thank you. I thought you were going to take more time.

JOSEPH GARCIA: Well, I can. So, but I'll wait until later.

CHAIRPERSON SANCHEZ: Thank you.

ARIELLE HERSH: Hi Chair Sanchez, members of the Committee. Thanks for holding this hearing and for the opportunity to testify. My name is Arielle Hersh and I'm the Director of Policy and New Projects at UHAB. We work with about 1,200 HDFC affordable cooperatives in the city and we really appreciate the initiative of the Council and holding today's hearing and encouraging transparency in co-op decision making. I think we share many of the same goals. We also you know spend a lot of time with HDFC co-op boards, helping them to make transparent, consistent

and equitable decisions in compliance with all of these laws and more that we're talking about. I think we agree that many of the issues that we're naming here do in fact exist and there are real variety of actors.

That said, I think the stock of HDFC co-ops specifically is a little bit different from so many of the market rate co-ops that these Intro.'s are directed at. You know similar, these are volunteer board positions but substantially differently. These are led by working class people of color, many elders similar and also folks who are experiencing real difficulty and hardship as you well know complying with a lot of existing Local Laws and regulations. You know these are portions of our affordable housing stock that are much more likely to house people of color, immigrants, and other marginalized groups with lower incomes than market rate co-ops. We also have some interesting research that indicates that HDFC co-ops are more likely to accept voucher holders compared with other kinds of housing, subsidized and market rate, and you know this slightly different pool of housing, I think really in this case deserves some differential treatment here and we would

recommend that HDFC co-ops be carved out of Intro. 407, Intro. 438, and Intro. 1120.

I will submit more testimony with further details but I think the sort of compliance differences here include that we have HPD - sorry, may I continue?

Uhm, we have HPD oversight and a regulatory agency that is tasked with specifically overseeing the

operations of HDFC co-ops. Both ones that have

regulatory restrictions with the city that are

active, which I see are already carved out in many

pieces of the legislation, in addition to those that

are not. We also have a large sort of financial and

regulatory cliff coming up in 2029 with the

expiration of the damn tax cap, which over 80 percent

of HDFC co-ops receive and that is a real moment to

bring HDFC co-ops back into larger regulatory

compliance in close coordination with the agency and

stakeholders and I think that there are many ways to

achieve those aims for this specific population on

that sort of timeline with this larger focus on

regulatory sort of restrictions, tax abatement,

carrot stick, all of those kinds of things together

and would really like to talk more with the Council

about achieving those goals for this specific

population within that framework. Thanks for the time always.

CHAIRPERSON SANCHEZ: Thank you. Thank you Arielle.

DAVID FITZ HENRY: Good afternoon. My name is David Fitz Henry. I am a real estate attorney. I am a member of the City and State Bars Co-Op and Condo Committee. I'm the current Chair of the City Bars Co-Op and Condo Committee. I'm a professor teaching a course on co-ops and condominiums.

I'm appearing today not in any of those capacities but only because of to echo the concerns that I've been hearing throughout the community and with respect to my clients. My firm currently represents approximately 150 co-op and condo buildings across the New York area. I think the intentions of these bills are noble. They're in the interest of justice. They fight discrimination but unfortunately, it's not necessary. It's not necessary because there are already avenues for recourse at the city, state, even the federal level.

That being said, even if it was unnecessary, I might be able to support it if it caused no harm. Unfortunately, it does cause harm, multiple ways that



1           it causes harm. One, we've already discussed today,  
2           this will result in significant increased costs for  
3           all co-ops across New York. It will have increased  
4           insurance premiums, it will have increased legal  
5           fees, and it will also have increased management  
6           fees, administrative fees. That's undeniable. It  
7           will also have a chilling effect on the spirit of  
8           volunteerism that every co-op relies upon.  
9

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

1 deny people. This bill does not accomplish what it  
2 is designed to accomplish. Passing this bill will  
3 only result in increased cost and less affordable  
4 housing, which has been a reoccurring theme  
5 throughout the day that affordability is the biggest  
6 issue the city is facing in terms of housing right  
7 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

1 for a state ban on source of income discrimination  
2 against renters. We fought for equitable production  
3 of affordable housing with our New York City Housing  
4 Tracker and the City Council passed the Fair Housing  
5 Framework in the City of Yes. It is time to level  
6 the playing field and fight discrimination on entry  
7 into homeownership. We strongly support this  
8 legislation and urge the Committee and the Council to  
9 pass this legislation before the end of the session.  
10 Thank you for the opportunity to testify. I'm happy  
11 to answer any questions.

12  
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.

As a gay man and a member of a protected class, I have seen no discrimination. Now I know that is unmoving to you, that you said earlier that you are not moved if I stand here and say I'm one of the good guys and we don't discriminate right but what I see today in the hearing, I just have to push back because the earlier comments from people on the Council, people on the Committee, we're kind of like everybody knows there's a problem here, everybody. And I always have to answer that with, really everybody Buddhist monks in Tibet know there's a problem? Because you know, like I'm part of everybody and I don't know there's a problem right? I understand your concerned about the opacity. The city has done no serious investigation. There's been no statistical analysis. We saw today, there's no data collection. There's not a lot of evidence of discrimination. There's not a lot of evidence of systemic discrimination, right? And if the problem is unproven any enforcement is disproportionate.

The five day each and all reason standard affirmed under penalty of perjury, it's way too heavy a burden on volunteers. We already struggle to fill

board seats. Oh, may I finish? I promise I'll talk faster.

CHAIRPERSON SANCHEZ: Please.

MATT MCLANAHAN: And our last two elections, directors ran unopposed. Partly because of all of the work we're having to do with all of these local laws that have come through which are all well intentioned and important.

Uhm, if you add personal criminal liability to this, you're going to weaken a volunteer governance model that makes affordable co-ops work and the last thing I have to say is, I think the remedy will be ineffective. You're not collecting any demographic data with this bill.

You're giving a letter to one person, an individual letter to one person with a list of reasons. Without demographic data, it's going to be hard to expose discrimination patterns. You can't detect disparate treatment if you don't track who is being treated differently.

Real anti-discrimination enforcement requires data. Demographic information that reveals patterns, not just individual rejection reasons. I urge you to find another way to work with the Commission on Human

1 Rights to collect optional demographic data from  
2 people as a part of the application process. The  
3 boards should not be involved in collecting this  
4 data. It should just be collected as a part of the  
5 application process. That's the foundation for any  
6 serious discrimination investigation.  
7

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

1 a question for you. For those realtors that came up  
2 here and who brought these examples of  
3 discrimination, which have not been documented. Why  
4 did they not point those applicants in the direction  
5 of the Human Rights Committee?  
6

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.

DAVID FITZ HENRY: They clearly did not receive the education that's been advocated for board members and they really should be encouraged.

MATT MCLANAHAN: I have to say and this is really important. Anecdotes are not data. They are a kind of information and they can begin to tell a story but they're subject to all kinds of bias and all kinds of like confirmation bias, all kinds of like interpretative problems. If this is a problem, we need to understand what it is and I'm totally in favor of that because if there is discrimination, I would want it to be rooted out. Having been a victim of discrimination in my life, which is nothing compared to the stories of I'm sure of some people. You know I like hated it right and I would never want anyone to go through that.

CHAIRPERSON SANCHEZ: Yeah, thank you. Thank you so much to this panel, really appreciate your time and for sticking with us.

Julian Parker, Eric Blaha, Tabitha Ward, Lucy West. Let's see how many seats. Logan Phares, Amber Schwartz. Okay and whoever is ready can begin.

JULIAN PARKER: Good morning Chair, members of the Committee. My name is Julian Parker. I'm the



1                   Founder of Solid Ground and a Robin Hood Foundation  
2  
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

unaddressed, support breaks down, and residents are left unprotected. Many residents, including myself experience versions of this in the days unregulated co-living environment and those outcomes are inherent to shared housing. There was gaps in standards, oversight and the day to day management practices that keep buildings safe, clean, and predictable.

The strength of this legislation is that it begins to surface and close those gaps. It sets a regulatory foundation of the next generation of shared housing is consistent, transparent, professionally run, privacy protected and built on clear, enforceable standards.

The people running these buildings will need to deliver on those standards in the way residents actually need day to day. That includes things like real bathroom privacy, personal fridges. Sorry, may I continue?

CHAIRPERSON SANCHEZ: Yeah, you may conclude.

JULIAN PARKER: Uhm personal fridges and pantries and predictable mail access for long term stability. We must manage these homes with the discipline and efficiency that ensures public dollars go further, not forever and at the end of the day, the point

homes that actually support the people, keep the city running, home for stability, dignity and opportunity are the norm, not on just day one but year after year.

This work is not in isolation, we're here to help convene or join working groups of operators, tenant advocates, labor partners, building owners to support the alignment of this new category. Our priority is making sure that this works in practice. I support that work. I've also developed some recommendations on operator standards, conversion pathways and affordability. I'm happy to share that with the Committee as well as HPD as framework moves into implementation.

This is going to finally give essential affordable workers - sorry, essential workers affordable, high quality options, built to the New York standard, a standard that once again positions this city as a leader in solving one of the defining housing challenges of our time.

The shared housing both rises a foundation for that ecosystem to merge responsibly, it's a necessary a timely step and I strongly support its passage.

Thank you for your time.

CHAIRPERSON SANCHEZ: Thank you so much.

TABITHA WARD: Good afternoon. My name is Tabitha Ward and I would like to offer some solutions for - to allow New Yorkers to participate in affordable housing. One of the solutions with the also - will include the repairs of affordable housing is to allow all tenants or all renters to include those who are receiving housing vouchers or rental assistance to hire outside contractors to come in and make repairs and/or replacements for major appliances, if and when the landlords do not respond to the work orders in a specified period of time.

These outside contractors could be required to adhere to a specific list of qualifications. The tenants within pay the rent minus the cost of the repairs and provide the original receipt to the landlord and an explanation for the unpaid rent amounts.

For large and extensive building wide repairs, the city should withhold, not just suspend but withhold any and all federal, state and city fundings to allow the fundings to pay for the repairs and instead of sending the bill to the landlord, send them the receipts. Just because you send a bill to a

landlord doesn't mean he's going to pay it, however, you should send the receipts to allow all interested landlords to participate in the city's affordability housing crisis by allowing perspective tenants to receipt their way into affordable and rent stabilized housing. The landlord should allow the perspective tenants to hire outside contractors to come in and pay for the move in preparations, the repairs, the cleanups, any major appliance replacements and bringing the apartment units up to code and other responsibilities that are necessary to move in and live in the approximately 50,000 apartment units that are unrented throughout New York City. The perspective tenants can then pay to have the apartments made available and to move in and provide the original receipts to the landlords.

May I conclude?

CHAIRPERSON SANCHEZ: Thank you.

TABITHA WARD: To provide the original receipts to the landlords and the aforementioned will address slumlords, unrepaired work orders, unsafe living conditions, apartment units not being up to code, and it will address the aforementioned that will remedy large building wide repairs and address the

affordable housing crisis that we're dealing with in New York City.

CHAIRPERSON SANCHEZ: Thank you.

LOGAN PHARES: Thank you Chair Sanchez for the opportunity to testify in favor of bills being presented today. My name is Logan Phares, I'm the Political Director at Open New York, an independent grassroots pro-housing nonprofit working to solve New York's housing crisis.

New York is in the midst of a deepening housing crisis, as you know more than half of renter households are now rent burdened, paying over 30 percent of their income on housing and for the most vulnerable New Yorkers, this shortage is not just a financial strain. For many, it means displacement, tenant harassment and homelessness. At Open New York, we often say that the above approach is required to solve the housing crisis. We need more supply but we also need deeper tenant protections. We need new diverse housing options like those allowed in Introduction 1475 but we also need anti-discrimination laws, such as what is being proposed in Introduction 407. I'm here today to speak in support of both of these bills.

Introduction 407 is a commonsense solution that simply seeks to require co-op boards to provide a specific reason for the rejection. The co-op boards acting in good faith should have no issue complying with this law. If we're serious about making homeownership more equitable, we must eliminate the practices that have made it inequitable in the first place.

We urge the Council to pass Introduction 407 to make it clear that the city will no longer tolerate housing discrimination. Turning to Introduction 1475, shared housing more commonly known as single room occupancy hotels, SRO's has a long history in New York City. Though SRO'S were readily available and affordable housing type for newcomers to the city for the first half of the 20<sup>th</sup> Century, their construction was banned in 1955 and tons of thousands of these extremely low cost housing options have been lost. We applaud the work that Council Member Bottcher and HPD are doing to bring back this inexpensive housing option in the midst of a historic housing crisis. While we support the intent of the legislation, we're concerned that some of the requirements outlined in the bill could increase the

1 cost of construction and make their design less  
2 feasible, leading to higher rents on units that  
3 should be the most affordable option. We look  
4 forward to further conversations with the Council and  
5 HPD to ensure the bill will encourage as many  
6 affordable new homes as possible.  
7

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.  
25



If I am on the hook to somebody who bought in the interim for misleading them for making the biggest decision in their life, I quit. I cannot afford to continue to be board president. I can't afford to serve on the board. It's too much risk for me.

So, capital plans as someone said earlier, are highly variable. It's New York, stuff happens and the Landmarks Commission save us happens. So, annual reports, no problem. Minutes, no problem. Capital plans, not feasible.

Let me talk briefly about the admissions. As someone said earlier, uhm nuance and flexibility is really useful and as the original guy on the screen said, if we are required to be consistent, it's much harder to give people slack. Examples, before gay marriage was legal, we had a couple who wanted to buy but in the trust because gay marriage wasn't legal. We don't allow trusts. For them, we did.

One African American and they've been wonderful tenants for the last however many years. Another, another gay couple, guy inherited from his partner after he died of AIDS who he had through, his finances were not within our parameters, not even close. We made it work.

1 Third example, current, uhm a young couple uh,  
2 got in a graduate program, wanted to be able to swap  
3 with another couple so that they - they lived in the  
4 new place during the school year and another couple  
5 who was going to school nearby near Columbia, they  
6 just switched but normally acceptable. For them, we  
7 made it work young couple, they really wanted to keep  
8 the apartment. If we can do nuance like that, great  
9 but if we have to be consistent, one, we're going to  
10 up our standards. We're going to require more  
11 downpayment, we're going to require higher financial  
12 requirements so that we are not taking on risk and we  
13 will not be able to create individual flexibility  
14 that reflects peoples situations. So, thank you and  
15 thank you for a really impressive hearing.

16 CHAIRPERSON SANCHEZ: Thank you.

17 RICHARD MARK: Good afternoon Madam Chair.

18 Richard Mark. I am currently the President of 390  
19 Riverside Owners Corp. I've lived there since 1984.  
20 I've been on and off the board many times and uhm,  
21 I'm a long time litigation practitioner in New York  
22 City, now in private practice but I have extensive  
23 experience also in government, working both for the  
24  
25

US Attorney in New York and for the New York City government at the Department of Investigation.

I come to speak against 407, 438, and 1120, in particular for 407 and 1120, I would reiterate the issue of cost that is imposed and the inappropriateness of the remedies. Costs are not just financial. Costs are to board recruitment. I have heard already from people, it's hard enough to recruit for the board in this building. The reason I've been on so many times and that certain people serve and serve and serve is because they are willing to undergo the stress and it is incredibly hard to recruit for these boards. To have that additional layer would make it very difficult. The remedy section, the business of signing the proposal that you sign a statement under penalty of perjury, that is an incredibly serious thing to do and to do it while making a representation about what you know and is in someone else's mind, is that is not - that doesn't really fit a good legal construct, in my view. So, that also is a nonstarter but it will scare people off. It will undoubtedly, I have already heard this, it will undoubtedly increase insurance costs. It's not as if you can get actual

1 insurance for you know discrimination, uh you know  
2 committing lawful discrimination but you can, you  
3 would have, coverage for litigation costs. And  
4 again, a lot of the purpose behind bringing lawsuits  
5 and whatnot, is not necessarily to win but it  
6 inflicts tremendous costs and people will settle  
7 because of that whether they have a good claim or  
8 defense or not. And so, it will undoubtedly increase  
9 insurance costs.  
10

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

1 financial interests of the co-op. so, I don't know  
2 that that works. Last point, I agree with the  
3 witness to my right, on 438, the business about the  
4 capital plans, we had a similar experience with uhm  
5 our façade renovation, which happened during the  
6 COVID crisis and the way that the work had to happen,  
7 drove the cost of that up significantly and to end up  
8 being on the hook for that with the way capital plans  
9 go and the way renovations go is just nuts. So,  
10 unless you have further questions.  
11

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

1           like in Harlem, that's it's a war zone over here.

2           It's a big war zone and what needs to start happening  
3           more in the City Council is that they need to start  
4           making it where that organizations like you have are  
5           held accountable for their actions because UHAB does  
6           a lot of things where it's really counterproductive  
7           to the tenants and what it does with UHAB is that it  
8           hurts everybody. It hurts the tenants. It hurts  
9           people that like people like here that's opposed  
10          to this stuff, because they use this as a reason to  
11          say, "oh, we don't want this." Because the people  
12          that you have allowed in are the ones that they don't  
13          want because those people are like, like I call them  
14          undesirables. Like they're just people that like  
15          they should not be living in places like that.

16          Uhm, but I'm concerned about safety when it comes  
17          to this bill. This is going to hurt these people  
18          here more than everybody else because if they open up  
19          like with these laws where like, you can't  
20          discriminate against pedophiles like Douglas Powell,  
21          you know you let these people in and they go live  
22          next to your kids. And I know you have kids Mrs.  
23          Sanchez and you don't want to pedophile living next  
24          to your kids that one day you're home and then you  
25

heard that they hurt, like sexual molested your kid.  
But this is a concern here.

One more thing I want say is that I know you have  
a constituent in your district that lives in a co-op,  
that's under UHAB and I think that with this  
conversation going forward between these guys, these  
people that's opposed to the bill and these people  
that are for the bill need to have her in that  
conversation because she lives in a UHAB development  
and it's at 1103 Franklin Avenue in the Bronx. Here  
name is Lydra Golapa(SP?) of the Worker Justice  
Project and I think that you should have her in that  
conversation because she actually owns a co-op in the  
Bronx, which is under HDFC, which is under UHAB and I  
know she's an influential labor leader in the city.  
You ought to all listen to her. So, going forward, I  
think you should have her in this conversation too  
because I think that uhm, she could probably be the  
voice of reason between the two sides because she  
works close with the City Council.

CHAIRPERSON SANCHEZ: Thank you.

CHRISTOPHER LEON JOHNSON: So, thank you so much.

CHAIRPERSON SANCHEZ: Thank you. That's not my  
district but thank you so much, appreciate it.

CHRISTOPHER LEON JOHNSON: Yeah, yeah, yeah, no problem, no problem, sorry about that.

CHAIRPERSON SANCHEZ: No worries.

RICHARD MARK: Council Member there's one point that I forgot to add that if you would tolerate just 40 seconds.

CHAIRPERSON SANCHEZ: I will tolerate it.

RICHARD MARK: Thank you. There had been discussion during the day about the remedy and whether it was individual liability or not for certain situations and we saw what was in the bill, that there is individual risk that is presented there but also, it was often met with the comment, well, it goes against the corporation, it's not against an individual. As if the corporation was something else. For these nonprofit co-ops, every one of these costs that has been discussed today, increased insurance, litigation risk, and so on is paid by your neighbors and shareholders. It's not as if there's some big corporation with huge capital reserves sitting out there that has money to you know sitting there. One person mentioned earlier saying, "I'm going to have to create a litigation reserve now for this kind of thing."



These places operate on break even budgets and with all the costs that have gone up, as you have heard in this, the idea that saying, "well, it goes against the corporation." As if that's - that someone else is going to pay it. When you say it goes against the corporation, it's the shareholders. It's the neighbors that you're with and so on and they're all paying for that.

So, the idea that oh, I'll feel okay because I'm not going to pay it. You are paying it. Very important. Thank you very much.

CHAIRPERSON SANCHEZ: Thank you. Thank you. Thank you so much to this panel.

PANEL: Thank you. Thank you.

CHAIRPERSON SANCHEZ: Alright, I am pleased to announce that we're now moving to remote testimony. You thought it was over, no it's not. We will now turn to remote testimony. Once your name is called, a member of our staff will unmute you and the Sergeant at Arms will give you the go ahead to begin. Please wait for the Sergeant to announce that you may begin before delivering your testimony.

Okay, so first up we have Julia Engel followed by Marc H. Schneider.

SERGEANT AT ARMS: You may begin.

JULIA ENGEL: Hi there. My name is Julia Engel and I'm the President of the Association of Riverdale Co-ops and Condo's, which includes up to 130 co-op and condo member buildings in the Bronx, mostly within the 11<sup>th</sup> and 14<sup>th</sup> District. Thank you Councilwoman and as a co-op board member myself, thank you for the opportunity to testify in opposition of these three proposals. I will focus on 407 because of time constraints. As a co-op board member, as we all know it is a volunteer position. We've heard that several times. Of the over 1,300 apartments, which make up just my personal co-op, only ten shareholders make up my co-op board. We should have thirteen and again, that's less of one percent of all apartments. It is increasingly difficult to find volunteers for co-op boards as it is and adding a requirement of a five day turnaround for a signed affidavit submitted under penalty of perjury would frankly probably cause me personally to resign as a board member.

It was said that the law is not being proposed to attack boards or individual board members, while I understand that, it's not that it's no more risky

1                   then already exists. This is false. I'm sorry to  
2                   say that but I for example, am a licensed lawyer, so  
3                   submitting an affidavit under penalty for perjury for  
4                   an unpaid volunteer position, regardless of what it  
5                   says or why it's being put in place could frankly  
6                   jeopardize my law license and my entire livelihood  
7                   and this would absolutely deter shareholders who are  
8                   currently in the workforce or with young children to  
9                   be on co-op boards.  
10

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

1                   COMMITTEE ON HOUSING AND BUILDINGS                   284  
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

concern that the realtors and others are causes of delays?

JULIA ENGEL: That's a great question. Received by the board is what I want us to take issue with.

It is not received by the board. It is received by the managing agent to process, right? And so again, there are you know many, many steps in this process, right? It goes to the managing agent, then possibly it goes to the board right? It doesn't necessarily go to the board. A lot of times it's the managing agent who will automatically reject because they didn't meet the debt to income ratio or something like that. So again, to focus on the board has received, is unfortunately just not accurate but you know, I'd be happy to discuss more about what the process is and how many people have their hands right, and their fingers in the pie, so to speak because I really think that that is the down turn, right?

And in terms of timing, whether we talk about five days or forty-five days, it doesn't necessarily matter. I understand forty-five days seems extraordinarily generous but I think the issue is that it's just so many different links right in the

1 chain of needing to get it to an approval. So, it's  
2 not always the board right that's just kind of  
3 sitting on things. Maybe something gets stuck under  
4 the managing agent staff and it just you know gets  
5 misplaced and that should not happen frankly, right  
6 because they're being paid to do a job and this is  
7 the job they're being paid to do. But I guess my  
8 point is it really should not fall to the volunteer  
9 members of the co-op boards.  
10

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

as well as the shareholders and residents, all of whom will be directly harmed by these bills. I too testified in connection with the earlier attempts to pass similar laws.

It is important to note New York City Co-Ops are not for profit landlords. They are self-governing communities where their shareholder residents collectively fund every expense from the co-ops underlying mortgage to the electricity and heating bills for the building.

When an applicant is approved, the existing residents are quite literally taking on a financial partner. When an applicant becomes a shareholder and then fails to pay monthly maintenance, every other shareholder must burden that - shoulder that burden. And that is why co-op boards acting on the fiduciary duty must have authority to evaluate whether a prospective purchaser can meet the buildings financial obligations. The reality is this, the overwhelming majority of applicants are approved and you've heard that today. The small percentage denied are almost always due to a financial risk, not discriminatory reasons.

1                   If you look at the discrimination claims brought  
2                   against co-op boards, they're almost never related to  
3                   a purchase application and you heard some support for  
4                   that today. They're typically centered around other  
5                   issues involving existing shareholders. The simple  
6                   fact is the legislation before you does not reflect  
7                   the reality. Let's look at the first one, the 407.  
8                   This bill would force volunteer board members who  
9                   have volunteers and neighbors, not corporate  
10                  landlords to certify detailed reasons for denial and  
11                  the penalty of perjury within five days to expose  
12                  them to statutory damages and nearly guaranteed  
13                  litigation. We heard about the legal fees provision,  
14                  what's that going to invite? Lawyers who are going  
15                  to say, "I'll take that case." Because there's a  
16                  likelihood of settle. This places volunteers in  
17                  legal jeopardy simply for fulfilling their fiduciary  
18                  responsibilities as volunteers and you heard people  
19                  today say -

20  
21                SERGEANT AT ARMS: Your time is expired.

22                MARC SCHNEIDER: Okay.

23                CHAIRPERSON SANCHEZ: Thank you. Thank you so  
24                much.



MARC SCHNEIDER: Are there any questions that anybody has?

CHAIRPERSON SANCHEZ: No, but if you could follow up with written testimony, that would be helpful.

MARC SCHNEIDER: Can I give you a concluding paragraph?

CHAIRPERSON SANCHEZ: Sure.

MARC SCHNEIDER: Thank you. So, taking together these bills assume systematic discrimination or mismanagement where none has been demonstrated. They are over correct to proceed not actual problem using punitive mandates that will destabilize governance, increase litigation, raise insurance costs and ultimately harm the very residents they claim to protect. I urge the Council to reject the bills. Thank you for your time today.

CHAIRPERSON SANCHEZ: Thank you. Thank you. That's a privilege for people in the room who are hungry and have to use the bathroom like I do. I'm sorry. Alright, next up is Miranda DeNovo followed by Alexis Foote.

MIRANDA DENOVO: Hi, I'm so sorry, one second. Oh okay, hello. Uhm, sorry I've been waiting a long time so I had to pop out. Hi, my name is Miranda

DeNovo. I'm a Community Organizer in Ridgewood. I'd like to tell you a personal story about living in shared housing and how I became homeless as a direct result.

I moved to New York City in 2016 with no family and a serious undiagnosed medical condition earning just above the poverty line. I've lived in all kinds of quasi legal shared settings, mostly in and around Bushwick with a revolving door of women and queer people in similar financial circumstances.

In 2020, I was sharing a two-bedroom apartment on Mertle Broadway with two strangers. When the pandemic hit, both my roommates moved home with their families. I had nowhere else to go, so I stayed. My rent went from \$600 a month on a \$40,000 salary to \$2,000 a month on a \$40,000 salary. If you're familiar with the math of rent burden, that's 60 percent of my income all of a sudden.

I applied for the Emergency Rental Assistance Program, ERAP but was rejected and so, I left and availed to the only lifeline I had, which was moving in with a friend and her husband. That was stable until it wasn't. When I got in a fight with the husband and he kicked me out. A stranger from social

media let me stay with her for two months and then I had to move again. There's a common argument that doubling up with family or friends can be a protection against becoming homeless but in my experience, it's just another kind of homelessness, one that may keep you out of a shelter but also keeps you in limbo with zero access to services.

Five years later, I have my own one bedroom lease in Ridgewood but I'm sharing again with a homeless friend who was rejected from the shelter system for being "too disabled."

I cannot stress enough that a 350 square foot apartment is not appropriate housing for two people who both have complex medical needs. But more to the point, it's not appropriate housing for anyone. We should not be normalizing the idea of a city in which 30 and 40 years cannot afford to rent their own apartments.

At least when I was sharing with strangers, we were able to work out informal deals among ourselves. By contrast, legalizing SRO's will fuel gentrification in neighborhoods like Ridgewood and Bushwick by allowing landlords to charge even higher rents than they already do.

Creating a system of regulations to legitimate overcrowding is not as supports are calling it, "a dignified alternative to shelter."

CHAIRPERSON SANCHEZ: Thank you.

MIRANDA DENOVO: As someone who has lived in -

CHAIRPERSON SANCHEZ: Thank you. Alexis. Sorry, your time has expired and you can submit written testimony.

MIRANDA DENOVO: I feel abandoned by the city.

CHAIRPERSON SANCHEZ: Thank you. You can submit other - I'm sorry Miranda, you can submit the rest of your remarks. Thank you. Alexis Foote is next.

ALEXIS FOOTE: Good morning - good afternoon everybody. Uhm, thank you City Council for having this hearing. Uhm, I did write something but uhm as someone who was an at risk youth who grew up in foster care, I'm here to advocate for shared housing. Uhm, and I say that because my mom, Kimberly Queena Johns, may she rest in peace. She died July 22<sup>nd</sup> of this year due to depression and the fact that the city does not take care of its most vulnerable and I say that as someone who is actually in a shelter with my 20 year old because I'm a domestic violence survivor. The police falsely arrested me due to

1                   allegations of my husband and families don't want  
2                   shared living. Shared living is really for single  
3                   adults, like the woman who spoke before me. Uhm,  
4                   adults like my mom, who are older, have mental  
5                   illness, LGBT from the ages of 18 to 24 but women  
6                   like me, with children who have careers, we need real  
7                   housing and this falls on the shoulders of HPD and  
8                   Department of Homeless Services. And I need the City  
9                   Council to hear me. I need the Mayor to hear me.  
10                  The one right now and the one coming in and I need  
11                  Kathy Hochul to hear me. We need real housing  
12                  subsidies, housing subsidies. We need to cater to  
13                  housing subsidies. We need housing for mothers, like  
14                  myself. We need more 1515 housing. We need  
15                  supportive housing, which is what my mother was  
16                  living in, which is on 162<sup>nd</sup>, which is owned by  
17                  [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,

sometimes it becomes your accountability partner.

And what you have to understand is that when you have somebody coming out of recovery and they don't have -

SERGEANT AT ARMS: Your time is expired.

ALEXIS FOOTE: Okay, I will submit extra testimony but please support real housing.

CHAIRPERSON SANCHEZ: Thank you.

ALEXIS FOOTE: We need more vouchers. Thank you.

CHAIRPERSON SANCHEZ: Thank you. I could not agree with you more. Thank you so much Alexis.

Daniel Arnow followed by Kevin Wolfe.

SERGEANT AT ARMS: You may begin.

DANIEL ARNOW: Yes, thank you Chair and members of City Council. My name is Daniel Arnow and I'm the Executive Director of Actors Fund Housing Development Corporation. Our mission is to increase access to affordable housing for people in the performing arts and entertainment.

I'm pleased to provide this testimony in support of the shared housing bill. Thank you to Council Members Bottcher and Restler for sponsoring legislation that would lower barriers to create any shared housing units in New York City while

establishing design and operational requirements for these units.

The shared housing roadmap produced by HPD, takes a thoughtful approach to reenvisioning the SRO model that can fill a gap in the market, while increasing tenant protections for renters. Shared housing can even increase social connectivity and combat social isolation for vulnerable populations. We know this first hand as an owner/operator of shared housing. The benefits and challenges of this important housing model. The Dorothy Ross Friedman residents is an affordable and supportive shared housing residence including 178 units on West 57<sup>th</sup> in Manhattan.

We provide onsite social services. Apartments at the Friedman are mostly two and three bedrooms in shared suites. Each tenant has their own rent stabilized lease, individual bedroom and shares a living room and kitchen with one or two other people. Some apartments have shared bathrooms; others have private baths.

Since opening in 1996, the Friedman has been a unique community asset and provides community and services for individuals who may be isolated or vulnerable in traditional housing. Shared housing

also creates unique challenges, especially around roommate conflict. We have created a robust tenant handbook with info and resources, including a guide for living with a roommate, roommate guidelines and conflict management. It's critical to have a strong onsite property management and a social service team to successfully execute a shared housing program.

With good legislation like Intro. 1457 -

SERGEANT AT ARMS: Your time is expired.

DANIEL ARNOW: Last line, and guidance to align building operations and management policies. We can reinvent shared housing to serve future generations. We're happy to support this bill. Thank you.

CHAIRPERSON SANCHEZ: Thank you. Thank you so much Daniel. We're going to have Kevin Wolfe followed by Rachel Bradshaw.

SERGEANT AT ARMS: You may begin.

KEVIN WOLFE: Good afternoon. Good afternoon and thank you Chair Sanchez for the opportunity to testify. My name is Kevin Wolfe and I am the Deputy Director of Advocacy and Public Affairs at the Center for New York City Neighborhoods, which is one of the largest homeowner service organizations in New York City.



We support both Intro. 407 and Intro. 1120-A. Together, we believe these bills will increase transparency, accountability and fairness in the co-op market, which is especially critical for Black and Brown homebuyers who face ongoing and historic discrimination. The center has a Black homeownership project that works to promote and protect affordable homeownership for Black families in New York City. The BHP provides services such as the state planning and landlord tenant mediation to help Black homeowners maintain their homes and build generational wealth.

During our research phase, the BHP program conducted extensive interviews and focus groups with Black homeowners and homebuyers in New York City. All of them reported experiencing discrimination. Some of them felt that they were treated differently by realtors and housing professionals because of their race. Several homeowners shared that they were steered towards specific neighborhoods and properties, often in disinvested areas and one interviewer even reported that a co-op board seized communicating with him after meeting him in person and discovering that he was Black.

Despite existing laws, the evidence is overwhelming that many New Yorkers continue to face systemic barriers including discriminatory lending, appraisal bias and predatory real estate practices. We support increased data reporting and transparency for co-ops so that policy makers, fair housing advocates and law enforcement can better address racial discrimination.

By passing these bills and supporting homeowner services, the City Council can take a meaningful step towards closing the racial homeownership gap in stabilizing communities of color. Thank you for your time and for considering these crucial reforms.

CHAIRPERSON SANCHEZ: Thank you so much Kevin, really helpful to hear those examples from CNYC. Thank you.

Rachel Bradshaw followed by Ruvym Gilman.

RACHEL BRADSHAW: Yes, hello Chairperson Sanchez, Public Advocate Jumaane Williams, Majority Leader Amanda Farias, and all members of the New York City Council. So, my name is Rachel Bradshaw - an African American homeowner in the Bronx, a household on food stamps. Through education, hard work, and saving, I became a first time homebuyer. For eight years, I've

served as Vice President, Secretary, and Board Member of my cooperative for homeowners corporation, a majority, minority corporation. I'm deeply concerned 743-B and 1120-A unfairly target homeowners and threaten the stability of cooperative housing. One of the strongest affordable homeownership paths for working families.

In New York City, Black and Hispanic residents make up roughly 44 percent of homeowners, including many income co-ops like Co-Op City Fordham Health. Cooperatives are built on values of democracy, equity and community. They rely on volunteer boards, people like me who receive no compensation, yet carry the responsibility of protecting financial solvency, quality of life and safety. Intro. 407 attempts to solve a problem that barely exists, rejections are rare and when they are occur, they are mostly due to financial risk. When buyers cannot afford their units, arrears can reach millions, leaving remaining shareholders to absorb rising insurance, taxes and compliance. Intro. 43-B would force cooperatives to release confidential or incomplete documents, including on audited financials to individuals who are not shareholders yet and may never close.

This creates unnecessary liability and undermines proper governance. Intro. 1120-A imposes unrealistic timelines on volunteer boards and managing agents. Most delays come from incomplete applications, not board review. Smaller and self-managed co-ops will disproportionately be harmed. Collectively, these bills send a message that City Council does not value homeowners, who invest in and remain committed to New York City. Cooperative housing is not the problem -

SERGEANT AT ARMS: Your time is expired.

RACHEL BRADSHAW: It is an unaffordable community driven model that keeps working families here.

My last line. I urge the Council to reconsider these bills and stop policies that weaken cooperative housing that have served New Yorkers for generations. Thank you.

CHAIRPERSON SANCHEZ: Thank you Rachel. I just want to clarify that you mentioned two bills in your testimony 1120 and what was the second one?

RACHEL BRADSHAW: Uhm, yours. Is it 40-

CHAIRPERSON SANCHEZ: 438?

RACHEL BRADSHAW: Yeah, 438.

CHAIRPERSON SANCHEZ: Okay, so you are not taking a position on 407? On the Public Advocates bill?

RACHEL BRADSHAW: Yes, I oppose all of them.

CHAIRPERSON SANCHEZ: You oppose all.

RACHEL BRADSHAW: All of them threaten the stability of cooperative housing.

CHAIRPERSON SANCHEZ: Okay. Okay, thank you so much for your testimony, appreciate it.

I will next call Ruvym Gilman and Sergii Starostin. Sorry, I'm saying that poorly but you are after Ruvym. Ruvym.

RUVYM GILMAN: Thank you. Good afternoon New York City Council Members. My name is Ruvym Gilman. I am here today representing myself as a resident of a co-op building in New York City and a former co-op New York City board member. While the intention behind the drafting of 407 may be laudable, the bill is fundamentally flawed. I urge the Council to reject 407. The bill with its expectation that co-ops provide a list of reasons for why a purchaser was rejected, tries to color the experience purchasing co-op shares is a purely legal transaction. As if the purchaser is before a court of law and entitled to a full legal explanation for why they were rejected. Anyone on trial should expect such an explanation from the judge but purchasing a co-op

share is not like being in a court of law. It is so much more than a financial transaction. Buying into a co-op is about joining a residential community.

In this way, the co-op approval process is more like entering into a relationship. It's a decision that in addition to reviewing someone's bonified and credentials as listed on pieces of paper, also involves assessing how someone portrays themselves and whether you feel they are compatible. Would you marry someone based solely on their resume and the size of their bank account?

Boards have a fiduciary duty to assess whether an applicant will be a responsible neighbor. This often involves the good faith judgement of the co-op board based on interviews, demeanor, and intangible queues and no, this is code for discrimination. It's code for people having the right to choose their communal partners based on more than what their paperwork says. Can a board reject someone because they were argumentative in an interview or because they were evasive, or even because there just a suspected substance problem because they smelled alcohol on their breath and if they do reject for such a reason, can we really foresee boards writing this out in a

1 formal documentation? Ultimately, unless the board  
2 has a clear, financial reason for rejection, the  
3 rejected applicant is likely to see the explanation  
4 as a pre-text for an unlawful, unstated reason.  
5 Boards will be damned if they, damned if they don't.  
6 This bill in essence could be a plot line out of  
7 minority report. Why? Because this bill polices  
8 thought. It erodes the business judgment rule by  
9 undermining the genuine honest judgment of a  
10 community, treating intuition of suspect and  
11 demanding rationalization where sometimes instinct  
12 needs to be applied.  
13

14 I urge the Council -

15 SERGEANT AT ARMS: Your time is expired.

16 RUVYM GILMAN: Can I just finish my sentence? Is  
17 it okay? Can I finish my sentence?

18 CHAIRPERSON SANCHEZ: Yes, please.

19 RUVYM 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

CHAIRPERSON SANCHEZ: Thank you. Thank you so much for sharing your perspective Ruvym. Next up is Sergii.

SERGII STAROSTIN: Yes, I'm sorry. I wanted to testify for 1475. I mistakenly raised a hand so I'm sorry. I will later.

CHAIRPERSON SANCHEZ: No problem, you can testify on 1475.

SERGII STAROSTIN: Okay, so thank you Council Members and the Committee and first I want to commend you and your colleagues for recognizing shared housing and the essential component in addressing New York City affordability crisis.

I'm here on behalf of Outpost Engine Homes and its subsidiaries and we collectively manage more than 4,000 housing units across the United States, including approximately 2,000 in New York City. For over a decade, Outpost has built a reputation for providing safe, high quality and affordable housing options and are deeply valued by our residents. So, I want to say that currently the shared housing is not a new or experimental concept. Roughly 40 percent of the New York City households are roommate shares and this model has long served its practical



market based response to a city's high housing costs and with today's technology like from a roommate matching platforms to flexibilities and management system and building a brand in this domain, the shared housing is a safer, more transparent and more efficient then ever before.

However, the proposed legislation has in our opinion some flaws and some requirements that would discourage both property owners and developers from participating in shared housing programs and a few key concepts that in our opinion need to be revised. Are number four, exclusion of frame dwellings. Number five, mandated cleaning requirements. Number seven, the increased minimum bedroom sizes and also limitations on bed counts because the apartments of four or more bedrooms that are the most cost efficient housing options currently.

So, uhm, I submit the written testimony to the hearing and would be glad to continue and be part of the discussion further. Thank you.

CHAIRPERSON SANCHEZ: Excellent, perfect time. Thank you so much. Sergii, am I saying your name correctly? Sergii?

SERGII STAROSTIN: Yes, that's correct.

CHAIRPERSON SANCHEZ: Okay, thank you so much for your testimony. I look forward to your written remarks. Next up is Grace Rauh.

SERGEANT AT ARMS: You may begin.

GRACE RAUH: Oh sorry. Thank you. Uhm, thank you Chair and members of the Committee. I'm Grace Rauh, the Executive Director of Citizens Union, which is now home to the five borough institute at Citizens Union. Our public policy think tank focused on solving some of the big challenges facing New York City. I'm here today to speak in support of Intro. 1475, Council Member Erik Bottcher's legislation and in support of the HPD shared housing roadmap. Together, they represent one of the smartest and most cost effective strategies we have to expand housing options for New Yorkers.

We all know the problem, New York simply does not have enough housing or enough affordable housing and additionally, we are not building the kinds of homes that people actually need. With millions of square feet of office space sitting empty and hundreds of thousands of new residences needed, now is the time to innovate and embrace new approaches to housing.

At Five Borough, we have been calling for this shift for some time. Two years ago, we released our flexible co-living report, which urged the city to legalize modern dorm style units with shared kitchens and bathrooms in office to residential conversions. Essentially, we viewed this as a way to make office residential conversions happen more affordably and we are so thrilled to see our research and ideas reflected in HPD's roadmap and Council Member Bottcher's bill, which seeks to bring many of those ideas to life.

Due to the design and layout flexibility, this model has the potential to add twice as many housing units to the market compared to traditional residential conversions of an office. This approach also lowers housing construction costs by maximizing the existing plumbing infrastructure.

SERGEANT AT ARMS: Your time is expired.

GRACE RAUH: Our report found that flexible co-living is expected to cost about half of the typical \$300 to \$500 per square foot spent to convert offices into traditional apartments.

CHAIRPERSON SANCHEZ: Thank you.

GRACE RAUH: Thank you so much. We encourage the City Council to pass this legislation quickly so that New Yorkers can benefit from the additional new housing. Thank you

CHAIRPERSON SANCHEZ: Thank you Grace, appreciate it. I want to take a moment to just shout out HPD for still being here. Mia Perez, I see you. Thank you. I hope you've eaten and gone to the restroom.

Uhm, thank you. Okay, I'm going to call on Leo Brazil(SP?), Tyce Rutledge(SP?), Connie Erlanger(SP?), Gal Osana(SP?), Daniel Arno(SP?), Baka Tiem(SP?), Tara Stockum(SP?), Veronique Monier(SP?), and someone also signed up under just Sara. Sara, are you here?

Okay, if we have inadvertently missed anyone that has registered to testify today and has yet to be called, please use the Zoom raise hand function if you are testifying remotely and you will be called in the order that your hand has been raised. If you are testifying in person, please visit one of our Sergeants and fill out a slip.

Seeing none, I will now close this hearing. Thank you to the members of the Administration and

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