

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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January 20, 2015
Start: 10:39 a.m.
Recess: 6:32 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: Jumaane D. Williams
Chairperson

COUNCIL MEMBERS:

Rosie Mendez
Ydanis Rodriguez
Karen Koslowitz
Robert E. Cornegy, Jr.
Rafael L. Espinal, Jr.
Mark Levine
Antonio Reynoso
Helen K. Rosenthal
Ritchie J. Torres
Eric A. Ulrich

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

Audrey Smaltz
Resident at 15 West 55th Street

Anne Cunningham
Housing Activist

Elizabeth Glazer
Director of Mayor's Office of Criminal Justice

Thomas Jensen
Chief of Fire Department of City of New York

Alex Crohn
General Counsel for the Office of Criminal
Justice

Gale Brewer
Manhattan Borough President

Linda B. Rosenthal
Assembly Member

Letitia James
Public Advocate

Adriano Espaillat
New York Senator

David Hantman
Airbnb

Kenneth Burris
Witt O'Brien's

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

Christopher Falkenberg
Insite Security

Liz Krueger
Senator

Richard Gottfried
Assembly Member

Robert Seidel
Loralei Bed and Breakfast

Donald Madison

Monique Greenwood
Akwabba Mansion Bed and Breakfast

Sue Fishkin
Rugby Gardens Bed and Breakfast

Elizabeth Manjurano [sp?]

Vanessa Milando
Ivy Terrace Bed and Breakfast

Tom Caylor
West Side Neighborhood Alliance

Delsenia Glover
New York State Tenants and Neighbors Information
Service

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

Marti Weithman
Goddard Riverside SRO Law Project

Sarah Desmond
Housing Conservation Coordinators

Ellen Davidson
Legal Aid Society

Betsy Eichel
Housing Conservation Coordinators

Melissa Chapman
Brooklyn Chamber of Commerce

Elle Laforge

Alice Baret [sp?]

Gayle Decosta

Evelyn Bedia

Leslie Anne Cooper
New York Trade Hotel Council

John Brave

Michael
STRAHA

Gordon Chambers

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

Carol Thomas
Just Because Hair Therapy Beauty Salon

Richard Emelias
Imperial Court Resident

Rich Robbins

Kayla Rivera
Goddard Riverside SRO Law Project

Bennett Baumer [sp?]
Housing Conservation Coordinators

Susette Sundae

Lydia Sylphies-Rockets [sp?]

Linda Landavar

Allison Green

Matthew Abuelo
West Side Neighborhood Alliance

Vivian Riffelmacher
West Side Neighborhood Alliance

Matt Thomas
West Side Neighborhood Alliance

Pete Diaz
West Side Neighborhood Alliance

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

Maritza Silva Farrel [sp?]
Real Affordability for All

Carrie White
Urban Homesteading Assistance Board

Rachel Christmas Derrick [sp?]
Urban Homesteading Assistance Board

1
2 CHAIRPERSON WILLIAMS: Good morning,
3 everyone. Thank you for coming. Based on the
4 response, we should be out of here in 20, 30 minutes
5 tops. [laughter] I'm Council Member Jumaane
6 Williams, the Chair of the Committee on Housing and
7 Buildings. I'm joined today by Council Members
8 Reynoso, Mendez, Ferreras, Rodriguez, Levine,
9 Rosenthal, and Koo. Today we are here to discuss the
10 operation of illegal short term rentals in New York
11 City. 2010 the State Legislature clarified that the
12 term permanent residence in the multiple dwelling law
13 meant occupancy by a natural person or family for 30
14 consecutive days or more. This clarification is
15 often referred to as the illegal hotel law. For
16 clarity, we are talking about illegal short term
17 rentals, not necessarily Aren B [sic], although I
18 have a sneaking suspicion they will play a large role
19 in today's conversation. But there are a lot more
20 people who are accused of violating that law that
21 we're going to have a conversation about. There is a
22 lot of conversation about the application of this
23 law. So I'd like to clear up a few aspects of it.
24 First, since the multiple dwelling law only applies
25 to buildings with three or more residential units.

1 One and two family homeowners are exempt from this
2 law. Second, if the lawful tenant rents out another
3 room in the home for less than 30 days and is present
4 for the entire stay of the houseguest or boarder,
5 which is a permissible use under the multiple
6 dwelling law. You're also permitted to let someone
7 else use your apartment in your absence, providing
8 you do not receive any monetary compensation.
9 Basically, if you are a one and two family homeowner
10 residing there, if you are a tenant who resides in
11 your apartment and you have a roommate, these laws do
12 not apply to you. We are here to focus on those uses
13 that clearly violate the state illegal hotel law and
14 the comparable provisions in the New York City
15 Administrative Code. While we may not agree on the
16 resolution, I think we can all agree this is a
17 complicated and nuanced issue for the city to
18 address. The operation of illegal hotels,
19 particularly by commercial hosts renting out more
20 than three units, more than three unique units
21 exacerbates the affordable housing crisis and is a
22 direct violation of state and city laws. On the other
23 hand, we have individuals such as bed and breakfast
24 operators whose businesses have been negatively
25

1 impacted by this law. To spread light on some of
2 those nuances, today we will hear testimony from
3 representatives of the Mayor's Office of Special
4 Enforcement, tenants, tenant advocates,
5 representatives of home sharing websites, elected
6 officials and other persons interested in how illegal
7 hotel operations affect our city. I'd like to thank
8 my staff for the work they did to assemble this
9 hearing, including Nick Smith, my Deputy Chief of
10 Staff, Jen Wilcox, and Shejorday Cadre [sp?]. Did I
11 do it right? Alright. Counsels to the Committee,
12 Guiermo Patino [sp?], Jose Conde [sp?], Policy
13 Analyst to the committee, and Sarah Gostellum [sp?].
14 Where's Sarah? Did I get it right? Alright. You
15 guys should have good normal names like Jumaane. She
16 is the Committee's Finance Analyst. With that said,
17 I'm going to call up our first panel, which will be
18 tenants who are affected, Mr. Audrey Smaltz [sp?],
19 Ms. Anne Cunningham will be testifying first. We
20 thank the administration for giving that opportunity.
21 You may step. I'd like to remind everyone who would
22 like to testify to please fill out a card with the
23 Sergeant of Arms, and everybody will be having an
24 affirmation that they will be telling the truth today
25

2 as the Sergeant at Arms did remind you, we try to
3 refrain from making as much noise as possible. I
4 have Tourette's Syndrome, so I am exempt, but
5 everyone else, please, we'll go like this instead of
6 clapping your hands so we can try to get this as
7 calmly as possible. Will the two about to testify
8 please raise your right hand? Do you affirm to tell
9 the truth, the whole truth and nothing but the truth
10 in your testimony before this committee and to
11 respond honestly to Council Member questions? Give
12 me one second, please. So, since we asked you to
13 testify first we will put on the clock three minutes
14 each for each of your testimony. Following the
15 administration and elected official we'll probably
16 put on the clock a two minute testimony. So everyone
17 can try to get through their testimony as fast as
18 possible and we can have my colleagues ask questions.
19 We've been joined by Council Member Cornegy as well.
20 You can start in whichever order you'd like to.
21 Please turn on the mic. Press the button. If it's
22 lit, it's on.

23 AUDREY SMALTZ: Good morning. My name is
24 Audrey Smaltz. Thank you for letting me come to give
25 my side of the story today. I moved into my apartment

1 at 15 West 55th Street, Penthouse Two in 1977. That
2 building has been my home and its tenants have been
3 my neighbors for over 35 years. For many years,
4 everyone in the building knew one another, and there
5 was a genuine sense of safety and community. Now,
6 things have changed a lot. My friends and neighbors
7 are being replaced by strangers and tourists thanks
8 to websites like Airbnb and others who allow people
9 to rent out their apartments. Of the 37 apartments
10 in my building only seven are currently inhabited by
11 rent stabilized tenants. The entire fourth floor is
12 a short term rental, and many units on the third,
13 eighth, ninth, sixth floors. Apartments in our
14 buildings are not listed on Airbnb either. They are
15 also listed on Bookings.com and Hotels.com. The
16 landlords are running an illegal hotel business. We
17 don't want that. We are all senior citizens. I am a
18 woman of a certain hip age, and I want to live in the
19 same safe peaceful building we have always lived in.
20 Not only have we lost our sense of safety, but the
21 landlord has chosen to ignore our requests for
22 necessary repairs. Instead, they are doing extensive
23 renovations to make the vacant apartments more
24 appealing to short term tenants because they make a
25

1 lot of money with short term stays. Not long ago one
2 of the tourists staying in our building wandered onto
3 my terrace. It was a terrible, frightening
4 experience, about 11 o'clock in the evening that
5 evening that made me realize just how vulnerable a
6 position my landlord has put me in by choosing to
7 profit over the safety of our tenants and community.
8 I hope my story has helped you all to see the short
9 term rentals do nothing but harm the communities that
10 New Yorkers like me and my neighbors spend years
11 working to build. Thank you.

13 CHAIRPERSON WILLIAMS: Thank you. Ms.
14 Cunningham?

15 ANNE CUNNINGHAM: Good morning. There we
16 go. Good morning. My name is Anne Cunningham. I
17 want to thank you for letting me give my testimony
18 regarding the detrimental effects of illegal hotels
19 on people of New York City. For the past 36 years I
20 have been an advocate, an activist for tenants
21 residing in SRO's and residential Class A hotels.
22 In 1981 I moved in the residential Class A Tempo
23 [sic] Hotel at 240 West 73rd Street in Manhattan,
24 which had 222 rent stabilized units at the time. Now,
25 they have 200. For years, residential class A hotels

1 like the Tempo, SRO's and thousands of other
2 affordable housing units have been slowing
3 disappearing from New York City's affordable housing
4 stock because of landlords taking affordable units
5 off the market to rent them as illegal hotels, and
6 now there are websites like Airbnb and others that
7 facilitate illegal hotel activity, speeding up the
8 loss of our city's affordable housing. When I first
9 moved into the Tempo, the building was always filled
10 with permanent tenants. Then, in 2003, the landlord
11 leased large numbers of the previously rent
12 stabilized units to a commercial hotel operator.
13 During that time tenants suffered deplorable living
14 conditions with repairs going unmade, drugs and
15 prostitution in the building, and constant harassment
16 by a landlord who sought to kick out long-term
17 tenants in favor of tourists. Websites like Airbnb
18 will only leave to repeat of what my neighbors and I
19 experienced for years at the Tempo. For the sake of
20 the residents of this city who depend on a affordable
21 safe housing, I ask that you keep short term rentals
22 illegal and crack down on illegal hotel operators who
23 are profiting at the expense of your neighbors.
24 Thank you for the pleasure of participation.
25

2 CHAIRPERSON WILLIAMS: Thank you very
3 much both for your testimony. We've also been joined
4 by Council Members Crowley, Espinal, Koslowitz. We
5 have in our midst Manhattan Borough President Gale
6 Brewer, Senator Krueger, Assemblyman Gottfried, all
7 of which I believe will be testifying after the
8 administration. I think you may have said it, but if
9 you can just repeat how many units on each of your
10 apartments and how many do you believe are short term
11 rentals?

12 AUDREY SMALTZ: In building 15 West 55th
13 Street we have 37 apartments, and only seven are rent
14 stabilized. We've been there for more--many have
15 been there for more than 40 years. I've been there
16 for 37 and a half years. And the rest--the second
17 floor is going to be a commercial floor and it's all
18 boarded up. And the third floor, there's an
19 apartment, fourth floor, fifth floor, sixth floor,
20 wherever there's an empty apartment. They have taken
21 a two bedroom apartment and they made it a three
22 bedroom apartment, the front apartments. They don't
23 have a dining room anymore. They have--it's just
24 deplorable.

25 CHAIRPERSON WILLIAMS: Ms. Cunningham?

2 ANNE CUNNINGHAM: When I moved into the
3 Tempo Hotel, which was the Commando Hotel, then
4 called Tempo, there were 222 hotel units. Some were
5 SRO and others were one bedroom apartments, and now
6 we have 200 units. The landlord downsized the
7 building, and out of those 200 units today, and I do
8 want to say the tourists did leave because of the
9 efforts of Councilwoman at that time, now Borough
10 President Gale Brewer. The tourists left in 2012,
11 the Tempo Hotel, but we do have 68 units now of rent
12 stabilized tenants who are being harassed to leave,
13 and we have 132 so called fair market rentals, and
14 some of those people we believe are now renting to
15 tourists because we see a lot of luggage coming in
16 and out of the building. While management has said,
17 "Oh, no, they're tenants."

18 CHAIRPERSON WILLIAMS: My other question
19 to both is what other things have happened that lead
20 you to believe that there's short term tenants as
21 opposed to tenants who live in the building?

22 AUDREY SMALTZ: Well, we can see right
23 away. We know who we are. We're only seven, and
24 they're young people. They're from all over, New
25 Zealand, Australia, France, you name it. And you see

1
2 them coming in with their luggage. These are not
3 very large buildings. They're very small buildings.
4 And we talk to them, and they're only staying two
5 weeks or they're staying one day. The rents are
6 ridiculous, because we've tried booking an apartment
7 there and it worked, and the person who booked it
8 stayed one day and paid a ridiculous amount, and we
9 are not getting the services that we used to get.
10 For example--

11 CHAIRPERSON WILLIAMS: [interposing] So,
12 just to back up, you booked a short term rental in
13 your own building?

14 AUDREY SMALTZ: Yes, to see if it really
15 worked, and it did.

16 CHAIRPERSON WILLIAMS: What site did you
17 use?

18 AUDREY SMALTZ: 19 West 55th Street.

19 CHAIRPERSON WILLIAMS: What site? What
20 website did you use or what company?

21 AUDREY SMALTZ: I don't know which
22 website was used. I wasn't in on it. But they used--
23 -it could have been bookings.com or hotel.com.
24 There's so many websites. Could be Airbnb. I'm not
25 sure.

2 CHAIRPERSON WILLIAMS: Did you know how
3 much they charged?

4 AUDREY SMALTZ: About 600 dollars a
5 night, maybe more. I don't have all the papers with
6 me. And we don't have an intercom service, because
7 when I called 911 and the police came, they had to
8 call me on my phone so they could get in the front
9 door, because we now have a system where you have a
10 number to put in, and everybody knows our number.
11 Anybody can come in, and we don't know who's coming
12 up to the 10th floor. I have no idea. I'm on the
13 top floor.

14 CHAIRPERSON WILLIAMS: I'd love to see
15 the paperwork that was used after this, after today.
16 If you have the people that actually did that, I'd
17 love to speak to them and get more information about
18 what they did, and--

19 AUDREY SMALTZ: [interposing] Yes, I can
20 get that for you, but not today, but I can get that
21 for you, yes.

22 CHAIRPERSON WILLIAMS: I just wanted to
23 just understand a little bit better also what other
24 quality of life issues are happening with the short
25 term renters being so many as opposed to it being

1 permanent tenants. You mentioned security. Was
2 there any other issues that make it worse, that--

3
4 AUDREY SMALTZ: [interposing] Well, we
5 don't see the doorman all the time. There's a sign
6 out that says, you know, go to another building to
7 talk to the doorman. The doorman are not there.
8 They're not really doorman, they just sit and, you
9 know, work on their cell phones. We don't have an
10 intercom. The hot water doesn't seem to get up to
11 the 10th floor. You have to wait for the hot water
12 to get up. In fact, the other day, some of the
13 tourists were downstairs complaining they didn't have
14 hot water. I just thought that was very funny. It
15 was very funny.

16 CHAIRPERSON WILLIAMS: Thank you both for
17 your testimony. I know that Council Member Rosenthal
18 either had a question or a comment. I don't know if
19 any of my colleagues have any questions.

20 COUNCIL MEMBER ROSENTHAL: Thank you,
21 Council Member Williams. I just want to thank both
22 of you for testifying today, and AC in particular.
23 You have been a housing activist for so long and such
24 a strong spirit on the Upper West Side fighting to
25 maintain our affordable housing, and as I--I just

1 want to note what it says on your hat, "I'm a tenant
2 and I vote." And you are st--you know, you're
3 standing up for what's right. You're standing up for
4 the law. You're standing up for affordable housing,
5 and I appreciate the work you do. Thank you.

7 ANNE CUNNINGHAM: Thank you.

8 CHAIRPERSON WILLIAMS: Alright. You gave
9 wonderful testimony to help, I think, frame what the
10 problem is. So, thank you very much. And if I'm not
11 mistaken, Ms. Cunningham, that's a very old Tenants
12 and Neighbors hat.

13 ANNE CUNNINGHAM: Long time.

14 CHAIRPERSON WILLIAMS: And I was
15 Executive Director at Tenants and Neighbors.

16 ANNE CUNNINGHAM: From the old days.

17 CHAIRPERSON WILLIAMS: I remember the hat.
18 It actually predated me in my tenure in Tenants and
19 Neighbors, but I do remember. Thank you very much
20 for your testimony.

21 ANNE CUNNINGHAM: Thank you.

22 CHAIRPERSON WILLIAMS: Next, we will be
23 calling up the Administration, Elizabeth Glazer,
24 Director of Mayor's Office of Criminal Justice, Chief
25 Thomas Jensen, Fire Department of the City of New

1
2 York, Alex Crohn, General Counsel Mayor's Office of
3 Criminal Justice. Just so people know, when this
4 panel is finished we'll be hearing from Assembly
5 Member Liz Rosenthal, Manhattan Borough President
6 Gale Brewer, Council Member Tish James. I'm sorry.
7 My deepest, sincerest apologies, Public Advocate Tish
8 J, and ex-officio. And Comptroller Scott Stringer
9 has submitted testimony. Can you please raise your
10 right hand? Do you affirm to tell the truth, the
11 whole truth and nothing but the truth in your
12 testimony before the committee and to respond
13 honestly to Council Member questions?

14 ELIZABETH GLAZER: I do.

15 ALEX CROHN: I do.

16 THOMAS JENSEN: I do.

17 CHAIRPERSON WILLIAMS: Fantastic. Can
18 you please start in the order of your preference?

19 ELIZABETH GLAZER: Good morning, Chair
20 Williams and members of the Committee on Housing and
21 Buildings. My name is Elizabeth Glazer and I'm the
22 Director of the Mayor's Office of Criminal Justice,
23 which oversees the Mayor's Office of Special
24 Operations, of Special Enforcement. With me today is
25 Alex Crohn, who's the General Counsel for the Mayor's

1 Office of Criminal Justice, Elan Parra, who's the
2 Acting Director of the Mayor's Office of Special
3 Enforcement is unable to be here today. So, thank
4 you very much for the opportunity to testify before
5 this committee regarding short term occupancies in
6 the city's current enforcement efforts. The Office
7 of Special Enforcement maintains citywide
8 jurisdiction to coordinate and enhance enforcement
9 across city agencies concerning fire and building
10 code violations in the five boroughs. The office
11 responds to complaints from New Yorkers on a range of
12 issues, including residential apartments that are
13 illegally used for short term occupancy. These
14 complaints are received predominantly from 311, and
15 where violations are found, the office's enforcement
16 response can range from issuing a violation to
17 pursuing civil litigation. Created in the mid 1970's
18 is the Office of Midtown Enforcement. The Mayor's
19 Office of Special Enforcement was established by a
20 mayoral executive order in 2006, and it was charged
21 with addressing issues that affect public safety,
22 community livability, property values, and other
23 issues that can lead to serious crime. The office is
24 currently made up of 12 staff members, three New York
25

2 City police officers, two buildings inspectors, one
3 Fire Department inspector, an investigator from the
4 Department of Finance, two attorneys, a full time
5 investigator employed by my office, an office
6 manager, and the Acting Director. Many if not most
7 of the complaints that this office receives concern
8 short term transient rentals, and this multi-agency
9 team of inspectors responds to those complaints by
10 conducting administrative inspections, issuing
11 violations to landlords for noncompliance with
12 required building and fire codes that governing [sic]
13 transient use, and these include requiring necessary
14 exits, sprinkler systems and fire safety and alarm
15 systems. As the team conducts enforcement activity
16 in the field, they also collect data that's used to
17 determine patterns or trends and to determine
18 enforcement priorities. When violations are then
19 issued, they're adjudicated before the Environmental
20 Control Board. If an operator or owner of a short
21 term transient rental operation fails to comply with
22 the violation orders to end illegal transient use,
23 then the office will consider bringing affirmative
24 litigation in the form of a nuisance abatement case
25 against the offending parties. During this entire

1 process, the office works in partnership with all the
2 agencies that I just mentioned as well as others such
3 as HPD, the Department of Consumer Affairs and other
4 relevant city agencies when necessary. OSC receives
5 complaints from every borough, with a trend towards
6 concentration in densely populated areas near tourist
7 attractions. During the calendar year of 2014, OSC
8 received a total of 1,150 complaints through 311,
9 specifically reporting an illegal hotel operation,
10 and during that calendar year of 2014, the office
11 successfully conducted 883 inspections and issued 495
12 environmental control violations and 391 Department
13 of Building notices of violations. In the previous
14 year, 2013, the office received 712 complaints of
15 short term transient use, meaning that the office has
16 documented a 62 percent increase in short term
17 transient use complaints from 2013 to 2014. While
18 the office wrote approximately a third fewer overall
19 violations in 2013, this decline reflects a change in
20 record keeping, not in activity that relates to
21 passage of a City Council Law, Local Law 45 in 2012.
22 This is a more effective transient use statute that
23 enables the office to issue one significant violation
24 rather than numerous smaller violations. This new law
25

1
2 coupled with OSC's approach of targeting enforcement
3 resources towards the properties that receive the
4 most complaints enables the office to focus on the
5 most egregious offenders and locations. In addition
6 to inspection activity, OSC also initiated a new
7 lawsuit entitled City versus City OAC's [sic]. The
8 case was filed in September of 2014 and involves
9 allegations against two buildings in Midtown
10 Manhattan that were converted into an illegal hotel
11 operation. The operator ran a proprietary website
12 that continued to offer hotel rooms in both buildings
13 even after the office conducted repeated inspections
14 and issued numerous violations. I'm confident that
15 the Office of Special Enforcement has played an
16 effective role in addressing illegal transient
17 rentals and that the office will continue to work
18 diligently to accomplish its mandate. So thanks very
19 much for the opportunity to testify, and I'm
20 available to answer any questions.

21 CHAIRPERSON WILLIAMS: Thank you very
22 much for your testimony. Is there anyone else giving
23 testimony? First, thank you very much for providing
24 testimony. I know a lot of ways we in the Council
25 and the Administration both are kind of fishing for

1 ideas to fix this and ideas to make it better for
2 tenants like the one that testified just before you.
3 I just wanted to understand quickly, I think you said
4 you received 712 complaints. I think DOB received
5 1,185 complaints. So how is that reconciled and how
6 do all of the agencies work together on complaints
7 that they receive?
8

9 ELIZABETH GLAZER: So, in 2013, 712
10 complaints this year, I'm sorry, 2014, 1,150. So,
11 the Department of Buildings receives a much broader
12 range of complaints over a broader range of topics
13 than we do. They all get funneled through the 311
14 system and then examined by our team and taskforce
15 that includes building inspectors, and we address the
16 transient hotel complaints.

17 CHAIRPERSON WILLIAMS: So, our records
18 actually show that DOB, the complaints, the 1,185
19 complaints that were received by DOB were for illegal
20 short term stay. So we're just trying to figure out
21 how--I know it's supposed to go--

22 ELIZABETH GLAZER: [interposing] How the
23 1,150 and the 1,185 reconcile? I'm not sure.

24 CHAIRPERSON WILLIAMS: So the 1,150 you
25 said is for 2014?

1 ELIZABETH GLAZER: For 2014, yep.

2 CHAIRPERSON WILLIAMS: Okay, I see.

3 ELIZABETH GLAZER: Yep, yep. So, I'm not
4 sure how that reconciles, but I can certainly look
5 into it and get back to you.

6 CHAIRPERSON WILLIAMS: And you said the
7 office has documented 62 percent increase in
8 complaints. Do you have any idea what that's
9 attributed to?
10

11 ELIZABETH GLAZER: No.

12 CHAIRPERSON WILLIAMS: Can you just walk
13 me through an inspection when the complaint comes in?
14 First, do you get to respond to every one, every
15 complaint?

16 ELIZABETH GLAZER: We respond to every
17 one. There is not necessarily an inspection on every
18 complaint that comes into the office. So, the
19 complaint comes into the office. The team does a
20 work-up on the complaint to get a better
21 understanding of both location and who the landlord
22 is and what the violations are. Those complaints
23 then get prioritized every day the team goes out and
24 gets prioritized largely by what are health and
25

1 safety violations so that there's a triage to deal
2 with the most pressing complaints first.

3
4 CHAIRPERSON WILLIAMS: So, let's say out
5 of the--let's say it was 1,150 of last year. How
6 many actually were physically inspected?

7 ELIZABETH GLAZER: So, for the 1,150
8 there were 883 inspections.

9 CHAIRPERSON WILLIAMS: And there 495--so
10 there's 495 ECB violations and 391 DOB violations.
11 Is that combined or we're giving one of each? How
12 many violations.

13 ELIZABETH GLAZER: So, I have a total of
14 597 violations, 495 ECB's and 102 from buildings and
15 fire.

16 CHAIRPERSON WILLIAMS: Alright, so the--I
17 think your testimony OSC successfully conducted 883
18 inspections and issued 495 ECB violations and 391 DOB
19 notices of violation.

20 ELIZABETH GLAZER: You know, I'm looking
21 at the chart and I think that 391 is from 2013.

22 CHAIRPERSON WILLIAMS: I see.

23 ELIZABETH GLAZER: So, in 2013 there was
24 718 ECB violations, 391 buildings and Fire Department
25 violations, and then in 2014 there were 495 ECB

1 violations and 102 DOB and Fire Department
2 violations. So, it's not, and just so you know, you
3 know, obviously there's not a perfect one for one
4 calibration here because it's rolling over, so.

5
6 CHAIRPERSON WILLIAMS: Now, of the 1,150
7 complaints, do you know how many units that equaled
8 and how many of those units got violations?

9 ELIZABETH GLAZER: I don't, but that's
10 something that we can supply to you. So, often there
11 are buildings that have multiple violations. So 883
12 inspections is not necessarily 883 buildings.

13 CHAIRPERSON WILLIAMS: You can get us
14 some information--

15 ELIZABETH GLAZER: [interposing] Yeah.

16 CHAIRPERSON WILLIAMS: to break down how
17 many units, how many building? Now, just what does
18 an inspection involve when a call comes in? You
19 spoke about some triage. How do you differentiate
20 what's going to get inspected, what doesn't, and then
21 what happens when they actually go to the unit?

22 ELIZABETH GLAZER: So, we look at those
23 violations that appear to be the most serious with
24 respect to health and safety issues. Those go to the
25 top of the list. To the extent there are any

1
2 aggravating factors such as these are multiple
3 locations, places that we've been to before. We'll
4 know that pretty much right away. We have pretty
5 good data mining techniques that we can use. As far
6 as sort of precisely what happens at an inspection,
7 Chief, maybe that's something you want to take?

8 THOMAS JENSEN: Well, the inspectors come
9 from the different agencies. So, they all have their
10 expertise in like--my inspected the fire code, but
11 there is cross-enforcement with the building code.
12 So, they basically look at all the violations
13 connected with this, the illegal occupancies, and its
14 safety inspection. It comes down to egress. It
15 comes down to, you know, is there a sprinkler system.
16 Mostly, it's basically the enforcement of the codes
17 for safety.

18 CHAIRPERSON WILLIAMS: So, just so--I'd
19 like to actually know it kind of blow by blow. So,
20 you go to the building, you ring the doorbell. They
21 answer. They don't answer. You get to the door. Do
22 you go inside? How does that interaction actually
23 go?

24 ELIZABETH GLAZER: Yeah, so these are
25 physical inspections in which a team will arrive at

1 the door. The team will be anywhere between four and
2 six people, or two or three. They will knock on the
3 door. They will go inside. They have with them a
4 list of the complaint that they're currently
5 pursuing. They'll also have a whole history of the
6 building, its violations and other issues, and they
7 will go and inspect the particular complaint that's
8 come in as well as whatever the landscape of
9 complaints on that they have from previously. So,
10 it's a physical inspection.
11

12 CHAIRPERSON WILLIAMS: And how long does
13 it take from the moment of complaint if you--how long
14 does it take to triage it, and then if you decide and
15 do a physical inspection, how long does it get to
16 that? How long before you get to complete the
17 physical inspection.

18 ELIZABETH GLAZER: I think it depends on,
19 you know, what the urgency is. So the turnaround can
20 be as quick as 24 hours or it can be a week or two
21 before they get there.

22 CHAIRPERSON WILLIAMS: So, 24 hours to
23 one or two weeks? Okay. I have some more questions
24 about that, but Council Member Rosenthal has to go to
25 a budget negotiating meeting. We ask if she can ask

1 a couple of questions. Given that also I know that
2 this tremendously affects her district, I ask my
3 colleagues to extend the courtesy. So, Council
4 Member Rosenthal.
5

6 COUNCIL MEMBER ROSENTHAL: I really
7 appreciate that Chair Williams, and I really
8 appreciate your holding this hearing on an incredibly
9 important topic and something that does wreak havoc
10 on the Upper West Side in terms of affordable
11 housing. I really, I just want to focus on one or
12 two things and then I have to dash off, but I'll be
13 back. When--has it been consistent one or two weeks
14 between the time of getting the 311 complaint?
15 Because we had a interim briefing a couple of weeks
16 ago where we heard it was four to six weeks. Is it
17 just different with different things, or?

18 ELIZABETH GLAZER: So, I think I'm
19 responding to the Councilman's question about when we
20 triage, depending on sort of the level of urgency.
21 But let me ask my counsel to respond to that.

22 ALEX CROHN: There are times when we are
23 focused on a litigation that does occupy some staff
24 resources, so they might take, you know, two or three
25 weeks, but we do endeavor to respond as quickly as

1 possible. And again, like the Director said,
2 triaging the ones that have real health and safety
3 violations within 24 to 48 hours.

4
5 COUNCIL MEMBER ROSENTHAL: And if you had
6 more staff, just by definition, if you had more staff
7 you could respond more quickly if you had a second
8 fire inspector, if you had more DOH staff responding
9 to health violations. I mean, purely by definition
10 without, you know--it's just a cut and dry question.
11 If you had more staff could you respond more quickly,
12 issue more violations, and bring more cases to court?

13 ELIZABETH GLAZER: So, I think that we're
14 doing a pretty efficient job right now. We're using--
15 we're becoming sort of more efficient by the day
16 within the last sort of two years using different
17 kinds of data mining. Software has helped us to kind
18 of focus our activity and to reduce the amount of
19 time it takes to identify where the locations are,
20 which frees up inspectors to go out. So, I think,
21 you know, we're in pretty good shape.

22 COUNCIL MEMBER ROSENTHAL: Right, you
23 know, what makes me concerned is that you've issued
24 1,100 violations this past year and we know that
25 there were over 2,000 illegal listings in Antonio

1
2 Reynoso's district alone, let alone the Upper West
3 Side. So, I just would publicly take issue with what
4 you're saying. I want to ask one last question,
5 please. When you inspect for a violation on one
6 unit, do you cross check for multiunits in the same
7 building and for multilistings on the websites of the
8 violator?

9 ELIZABETH GLAZER: So, I'm not sure I
10 understand the question, but if you're asking when we
11 get a complaint for one unit, apartment 5b, do we
12 check complaints with respect to the entire building.

13 COUNCIL MEMBER ROSENTHAL: Yes.

14 ELIZABETH GLAZER: Yes. So, it's building
15 related, because at the end of the day if we get to
16 the point where landlords are not responsive to the
17 violations, we'll bring a civil litigation. So, we
18 look at the problem not unit by unit, but building by
19 building.

20 COUNCIL MEMBER ROSENTHAL: And do you
21 similarly cross that information with all the
22 different websites that are the platforms that are
23 showing the rentals?

1
2 ELIZABETH GLAZER: So, our focus is not
3 on what the platform is. Our focus is on the
4 activity or the actors. So we do not--

5 COUNCIL MEMBER ROSENTHAL: [interposing]
6 Got it.

7 ELIZABETH GLAZER: go back to the
8 particular--

9 COUNCIL MEMBER ROSENTHAL: Got it. So I
10 would argue that that's part of the problem, that
11 it's more of a reactive group, your office, than a
12 proactive group. You know, if Audrey has the
13 wherewithal to call 311, God bless her, but what
14 we're seeing in the data is that there are 100 more
15 just Audreys out there. So, it's not--you know,
16 1,000 people might be complaining, but the violations
17 and the complaints that people were truly reporting
18 are much higher. Thank you very much.

19 CHAIRPERSON WILLIAMS: Thank you. Just
20 back to the time frame again. I just wanted to
21 clarify. How long is it? Once you deem--so it takes
22 24 to one to weeks to triage it, or it takes 24
23 hours, one or two weeks from point of complaint to
24 point of contact with the unit.

1
2 ELIZABETH GLAZER: You mean when a team
3 gets dispatched?

4 CHAIRPERSON WILLIAMS: Yes.

5 ELIZABETH GLAZER: We're talking about
6 when a team gets dispatched.

7 ALEX CROHN: So I guess triaged
8 immediately, and then the inspection happens one to
9 two weeks after.

10 CHAIRPERSON WILLIAMS: And just to
11 clarify, because I also heard--

12 ALEX CROHN: If it's a one or two week
13 one, it takes one to weeks, but if its immediate
14 urgent one, yes, the team goes out within 24 to 48
15 hours.

16 CHAIRPERSON WILLIAMS: I was also under
17 the impression that it was four to six weeks. So, I
18 just want to clarify that, on average you don't think
19 it's four to six weeks. For the non-emergency ones,
20 what's the average response time?

21 ALEX CROHN: That's correct. We--with
22 one to two weeks. I mean, we can certainly talk
23 about the non-emergency of one to two weeks. The
24 four to six is not--we don't think that's accurate.

1
2 But we can, you know, we're happy to go back and take
3 a look and just confirm that with their office.

4 CHAIRPERSON WILLIAMS: Alright. Alright,
5 thank you. And just again, you don't believe that
6 there is a need for additional inspectors?

7 ELIZABETH GLAZER: I think that right
8 now, you know, we're a complaint driven organization,
9 and right now, we seem to be keeping up with what the
10 complaints are.

11 CHAIRPERSON WILLIAMS: Okay. There was a
12 concern, particularly when it's four to six weeks. I
13 mean, one, two--one and two also, that are we getting
14 to the person before they've left in enough time?
15 Does that function--does that factor into your need
16 or not need for more inspections? Are we getting to
17 the unit in enough time to gauge whether the
18 violation has occurred?

19 ALEX CROHN: I would say so. You know,
20 some of the instances we see are not, you know, a
21 one-off rental. It could be taking place over a
22 longer period of time. So, I believe our inspectors
23 are able to see sort of the activity that is going on
24 there and assess if there is transient use.

2 CHAIRPERSON WILLIAMS: How do you
3 determine which one is urgent and which ones aren't?

4 ALEX CROHN: There are certain, and I'm
5 sure the Chief can speak to this a little bit, but
6 certain fire issues that could arise, you know, lack
7 of a sprinkler system or lack of proper egress.
8 Those are the things that may bring up larger safety
9 concerns, as well if there's, you know, extreme
10 versions of illegal use, where's there's a lot of
11 people in one unit, something like that. Those are
12 the ones that will rise to the top.

13 CHAIRPERSON WILLIAMS: But your
14 inspectors can't go into the apartment without
15 permission, is that correct?

16 ALEX CROHN: That's correct.

17 CHAIRPERSON WILLIAMS: Under enforcement
18 of local law 45, which is by the esteemed then
19 Council Member Gale Brewer, which prohibits the
20 illegal conversion of dwelling units from permanent
21 residences, how many violations have you given since
22 the Local Law 45 was enacted?

23 ELIZABETH GLAZER: So, we don't track it
24 by the law number. I think that is something that we
25

1
2 could probably pull out, but we don't--that's not
3 something that we track regularly.

4 CHAIRPERSON WILLIAMS: Thank you. I
5 think I'll have additional questions, but I want to
6 get my colleagues involved in the conversation.
7 First, we have Council Member Levine, then Council
8 Member Koo. If Council Member Reynoso has not
9 returned, we'll go to Council Member Cornegy. Sorry,
10 I'm going to try to do this without the timer, but if
11 people can be cognizant of their colleagues as well.

12 COUNCIL MEMBER LEVINE: Thank you, Chair
13 Williams, and thank you, Director Glazer for being
14 here. The Attorney General in his audit determined
15 that there were over 16,000 illegal listings in the
16 first five months of 2014. So, if I'm doing my math
17 right, you've got 10 inspectors. That would require
18 about 75 or more inspections per week per inspector.
19 How many--what is the actual capacity of one of your
20 inspectors on a weekly basis?

21 ELIZABETH GLAZER: So, we do not--we
22 respond to complaints. So that 16,000 is not the
23 number that we're responding to. We're responding
24 to--

1 COUNCIL MEMBER LEVINE: [interposing] But
2 if you're--sorry to interrupt. If your inspectors
3 were working at full speed, I guess a 40 hour week,
4 how many inspections would they generally accomplish?
5

6 ELIZABETH GLAZER: That, I don't know the
7 answer to.

8 COUNCIL MEMBER LEVINE: You think it
9 could be 75?

10 ELIZABETH GLAZER: I don't think I can
11 get involved in a math game with you right now.

12 COUNCIL MEMBER LEVINE: Are you operating
13 near capacity now? Or do you have slack resources in
14 the staff?

15 ELIZABETH GLAZER: I mean, I think that
16 given the ups and downs that I'm seeing in the
17 numbers, that we would have more capacity to do more
18 inspections now. What the total capacity is, I
19 think, is almost impossible to gain because
20 inspections have, you know, different lengths of
21 time. Not every inspection is a cookie cutter.
22 There are other activities that go on in the office
23 as well.

24 COUNCIL MEMBER LEVINE: Right. Look, I--
25 your job as representative of the administration is

1 to defend the budget allocations. I think it's
2 strange credulity to think that a staff of ten could
3 manage a sector with 16,000 violations in five
4 months. Clearly, the vast majority--

5
6 ELIZABETH GLAZER: [interposing] Although,
7 that's not the number that's coming in.

8 COUNCIL MEMBER LEVINE: And that's a
9 problem because we have no enforcement proactively,
10 and if you're worried about affordable housing as I
11 am, there's actually no one in the apartment
12 potentially to make the complaint. The apartment's
13 been vacated. You're responding to quality of life
14 issues, but not responding the crisis of affordable
15 housing that's been caused by the loss of these
16 units. Since you're not able to get to most calls
17 within less than 24 hours, what happens when you
18 arrive and the guest is no longer there, if the host
19 is back in their apartment?

20 ELIZABETH GLAZER: So that's not the only
21 evidence of illegal transient use. It's not
22 something that has to be caught in the act. So there
23 are a number of different investigative techniques, a
24 number of ways of interviewing people on, you know,
25 in the building. There are a whole array of other

1 things. It doesn't have to be that the only evidence
2 is somebody who, the person who rented the unit still
3 being in the apartment.
4

5 COUNCIL MEMBER LEVINE: What portion of
6 the violations you issue are in cases where the
7 tourist or guest is still in the apartment?

8 ELIZABETH GLAZER: I don't know.

9 COUNCIL MEMBER LEVINE: What happens if
10 no one answers the door when you go for an
11 inspection?

12 ELIZABETH GLAZER: Well, I think there are
13 an array of different things as I mentioned. You can
14 interview neighbors. There are a whole array of
15 other investigative techniques and the Chief may want
16 to respond to it. But that doesn't have to be the
17 primary evidence.

18 COUNCIL MEMBER LEVINE: Right. I think
19 it's pretty obvious that tourists might be scared.
20 They would maybe not have English skills and be
21 unlikely to open. That if the host is back, then he
22 or she of course has an incentive not to open the
23 door, which complicates things. Have any of your
24 violations been issued on the listing services
25 themselves, or they're all on hosts?

2 ELIZABETH GLAZER: Just on the host.

3 COUNCIL MEMBER LEVINE: But why is that?

4 You have services which are facilitating--there's a
5 consensus there's illegal activity. Why are the
6 listing services themselves not on the hook for this?

7 ELIZABETH GLAZER: That is not the way in
8 which we've approached it. We're not going after the
9 carriers. We're going after who the actual actors
10 are and where the locations are that we're seeing the
11 activity.

12 COUNCIL MEMBER LEVINE: I'm very happy
13 that the Fire Department is here, and Chief Jensen,
14 this is a big concern for many of us, that you have
15 what is in effect a hotel with no adequate fire
16 inspection. Could you compare and contrast the kind
17 of inspection you would do on a bonafide legal hotel
18 versus that which might be done on any standard
19 residential building, so we understand just how wide
20 the gap is?

21 THOMAS JENSEN: Well, a legal hotel gets
22 an annual inspection, a quite thorough one, and even
23 more than the inspections, it's what the safety
24 procedures that a legal hotel is required to provide
25 to the transient occupants, fire alarms, planning, in

1 most cases sprinkler system, a fire safety director.
2 You have staff in a legal hotel. And you know, voice
3 communication to let the occupants know if there's a
4 problem and how to proceed, when to evacuate.
5 There's all plans. That's most of that, or just
6 about all of it is missing in these residential
7 occupancies that are used for these transient guests
8 so to speak to use them. Over the years, we've
9 required many safety procedures for legal hotels that
10 these normal residential apartment doesn't have to
11 comply with. We assume that the residents there have
12 knowledge of their building and egress and so forth,
13 and where hotel occupants do not. That's why there's
14 actual procedures. So, legal hotels have many extra
15 safety procedures that these apartments do not.

17 COUNCIL MEMBER LEVINE: Well, that's a
18 critical point. Thank you for highlighting that. It
19 illustrates why so many of us are distressed about
20 this epidemic. I'm going to close there to pass it
21 off to my colleagues. Thank you all.

22 CHAIRPERSON WILLIAMS: Thank you. I
23 actually have some follow-up questions. We've also
24 been joined by Council Member Ulrich, Johnson and
25 Council Member Gentile. I did want to--what--Council

1
2 Member, I actually wanted to know where'd you get
3 that 16,000 number?

4 COUNCIL MEMBER LEVINE: I believe that's
5 from the Attorney General's report.

6 CHAIRPERSON WILLIAMS: That number was
7 what, how many violations are given or how many
8 complaints were?

9 COUNCIL MEMBER LEVINE: How many illegal
10 listings.

11 CHAIRPERSON WILLIAMS: How many illegal
12 listings. Is there a way that you can approach this
13 proactively as opposed to complaint given?

14 ELIZABETH GLAZER: Yes, I think it would
15 require a different set of skills and a different
16 approach. So this unit was created as an inspection
17 unit. It's gone well beyond inspection function by
18 brining suits against--by brining litigation against
19 landlords and others involved in this business. But
20 it is not an investigative body in the same way that,
21 you know, other skill sets might be deployed in order
22 to do the kinds of things that you're suggesting.

23 CHAIRPERSON WILLIAMS: What would it look
24 like? I would assume that would need additional

1 resources. How many? What would it look like? And
2 how would you decide where to put--

3
4 ELIZABETH GLAZER: [interposing] I can't
5 give you an answer on that right now.

6 CHAIRPERSON WILLIAMS: Okay. But if we
7 did want to do it proactively, it would take
8 additional resources than you currently have?

9 ELIZABETH GLAZER: I think it's a
10 different--it's a different strategy on a different
11 approach and we'd have to think through what that
12 actually meant.

13 CHAIRPERSON WILLIAMS: Was there a reason
14 why we decided to do it just complaint driven, or
15 that's just--

16 ELIZABETH GLAZER: [interposing] I think
17 historically that's been the function of that office,
18 and that's what it's done over the course of the past
19 year.

20 CHAIRPERSON WILLIAMS: There was one
21 question. I'm hoping that you may be able to get the
22 answer to today if possible, which was how many
23 tourists have been in the apartment when you go
24 there? Is there any way we can get that today?

1
2 ELIZABETH GLAZER: I think it's very
3 unlikely that we would know the answer to that, but I
4 can check to see if that's something that we track.

5 CHAIRPERSON WILLIAMS: Okay. So when you
6 go to the apartment, if someone is there, is there
7 any assumptions made, or you just ask additional
8 questions? Like so if someone goes and they open the
9 door, the question--what are the questions? Are you a
10 tourist? Is this your home? How did you find out?
11 Those kind of questions.

12 ELIZABETH GLAZER: Right. I mean, I
13 think they ask them all the questions that you could
14 imagine, you know, "How did you book? When did you
15 get here? You know, how long do you intend to stay?"
16 Anything that were permit them to establish the
17 elements that they need for transient use.

18 CHAIRPERSON WILLIAMS: Alright. If you
19 could, it would be great. I think that's a critical
20 question to try to get answered, how many people were
21 deemed to be tourists? Also, why do we not go after
22 listing services? Do we have the tools legally to do
23 that?

24

25

2 ELIZABETH GLAZER: I think that, again,
3 sort of goes to your previous question about, you
4 know, is there a shift in strategy.

5 CHAIRPERSON WILLIAMS: I see.

6 ELIZABETH GLAZER: And what the skills
7 are to do that.

8 CHAIRPERSON WILLIAMS: If we wanted to
9 shift the strategy, does the law--does the laws
10 currently exist to go after listing services as
11 opposed to just hosts?

12 ELIZABETH GLAZER: Well, I think that's
13 an issue that the Attorney General is now addressing,
14 right? So--

15 CHAIRPERSON WILLIAMS: Okay. Are there
16 instances of violations that have been issued to
17 tenants that were on vacation as opposed to running
18 an illegal hotel business?

19 ELIZABETH GLAZER: Again, I don't think
20 that's information that we track.

21 CHAIRPERSON WILLIAMS: Okay. If there's
22 any way you can get it, it would be great. Council
23 Member Koo if Reynoso has not returned and Council
24 Member Cornegy.

1
2 COUNCIL MEMBER KOO: Thank you, Chairman
3 Williams. Today's topic is really important. The
4 topic is the short term rentals. Is this stimulating
5 the economy or destabilizing neighborhoods? Well, I
6 can answer that before I ask you a question. It does
7 not stimulate the economy, and you are destabilized
8 the neighborhood. Why? Because when you have these
9 illegal hotels, you are decreased the incentive for
10 hotel developers to build hotels. When you build
11 hotel, you create a lot of jobs. A hotel job also
12 create peripheral [sic] jobs for taxi drivers or
13 restaurants. So the economy is getting worse. We
14 don't have hotels built in the neighborhood, because
15 people will live in those cheaper places. And also,
16 it would decrease the tax revenues for the city,
17 because every tourist when they stay in hotel they
18 pay a very sizable tax to the city every day. You
19 know, so I believe the hotel tax is something like 20
20 percent. Correct me if I'm wrong. Maybe--but it's
21 very close. It's close to 20 percent hotel tax. So,
22 city will lose a lot of money, because if these
23 people don't go to the hotels. The third thing is
24 when you have these illegal hotels in the
25 neighborhood, you destabilize the neighborhood,

1
2 because you have people coming in day and out in the
3 building sometimes 24 hours a day, and the original
4 tenants in the building get scared, you know, because
5 all of a sudden we have some of the people you
6 haven't seen, you know, they're following you to the
7 building. You don't know whether they're tourist or
8 whether they do something to the neighborhood. So,
9 that's my concern. You will decrease quality of life
10 tremendously if you allow the illegal rentals to
11 assist in New York City. I'm Council Member from
12 Council District 20, which represent downtown
13 Flushing, which is a very, very bad problem in
14 downtown Flushing because flushing is the gateway for
15 a lot of Asian tourists when they come to USA. You
16 know, they come to New York, they always stay in
17 flushing because of the language, the culture and all
18 these things. And I found out in my neighborhood we
19 have a lot of transient hotels. People will go rent
20 a two bedroom apartment. They will pay higher than
21 market place then what the owners who rent them,
22 because suppose the apartment only rent for 1,600.
23 An illegal operator will come in and say, "Hey, I
24 give you 2,000 or 2,100." Okay? So, of course the
25 owner of the apartment will rent it to them. Then

1
2 they have the lease and they will convert a two
3 bedroom to a four bedroom apartment or even worse,
4 maybe more. And each bed--once they have like double
5 decker's in there and then charge people like 20
6 dollars a night to stay in each bed. No? It's
7 really bad for public safety wise. What happen is
8 someone smoke when they're sleeping and the whole
9 building burned down. You will affect other owners
10 of the building, even though they have insurance, and
11 insurance company will come back and say, "You guys
12 have too many people living in the apartment." So,
13 they don't cover. And I personally have experienced.

14 CHAIRPERSON WILLIAMS: Council Member
15 Koo? I was just wondering if you had a question.

16 COUNCIL MEMBER KOO: Yeah, yeah, I'm
17 going to ask a question now. I have to give them the
18 background information first. Because I call 311
19 once about an illegal certain [sic] hotel in the
20 building, and I saw it the next day that building
21 inspector come. He rang the bell. Of course, the
22 guy upstairs didn't open for anyone, right? So, then
23 he rang again, but nobody--he wait maybe four or five
24 minutes, then he posted a note on the building,
25 "Department of Building wants to talk to you." And

1 then the next day he come back. He do the same thing,
2 and then the third time, case closed. So, I want to
3 ask you, how do you guys get involved, because I
4 don't usually see you guys involved. I only see one
5 guy from Department of Buildings driving the small
6 car, parked there, go in and come out in five, ten
7 minutes. They're gone. So then, if you go to
8 internet to check the status, "case closed." They
9 checked twice. They went there twice. Nobody ever
10 respond. So my question is, how come it's so hard to
11 open the door. I mean, you can call the place and
12 pretend you are tourist. You can send a decoy in
13 there holding luggage. They will open for you. Then
14 say I don't want to--why don't you go inside and find
15 out and then you can come out and go in the next time
16 to give them tickets? So, you don't do that.

18 CHAIRPERSON WILLIAMS: Let's see if they
19 can get an answer.

20 COUNCIL MEMBER KOO: My question is how
21 come you don't send a decoy? Government agency do it
22 all the time, FBI. Police to other massage parlors
23 pretending they are to have a massage. So how come
24 you guys cannot do that, going into a hotel and
25 pretending you are a tourist?

2 CHAIRPERSON WILLIAMS: Alright, Council
3 Member Koo, let's give them an opportunity to respond
4 here.

5 ELIZABETH GLAZER: So, I don't know what
6 the answer is to your particular--

7 COUNCIL MEMBER KOO: [interposing] Is it
8 illegal to do that? You have legal counsel here,
9 yeah?

10 ELIZABETH GLAZER: But as I mentioned
11 there are a whole array of techniques that I'm not
12 going to go into here that are used in order to
13 investigate these complaints. That's the reason why
14 we have a whole team of folks from more than
15 buildings, also fire and others, and they've been
16 quite successful in responding so far to complaints
17 and been able to collect the evidence. And so there
18 are a bunch of different ways to do that, but I'm not
19 going to discuss the investigative techniques today.

20 COUNCIL MEMBER KOO: [off mic]

21 ELIZABETH GLAZER: As I said, I'm not
22 going to discuss investigative techniques.

23 COUNCIL MEMBER KOO: [off mic]

24 ELIZABETH GLAZER: And he won't either.

25 COUNCIL MEMBER KOO: [off mic] lawyer--

2 ELIZABETH GLAZER: [interposing] Right.

3 COUNCIL MEMBER KOO: Is it against the
4 law? Is it against the law to using a decoy as an
5 inspector and using a decoy as a tourist to go into a
6 particular place to inspect the place pretending you
7 are renting the place and find out, oh, wow, there's
8 illegal conversions inside? There's fire code
9 violation there.

10 ELIZABETH GLAZER: So there are a whole
11 array of techniques that can be used, but I'm not
12 going to discuss them today?

13 COUNCIL MEMBER KOO: I haven't seen you
14 using it though?

15 ELIZABETH GLAZER: One instance, right?

16 COUNCIL MEMBER KOO: My question is--

17 CHAIRPERSON WILLIAMS: [interposing] Okay,
18 thank you.

19 COUNCIL MEMBER KOO: Why haven't you been
20 using it, though?

21 CHAIRPERSON WILLIAMS: Thank you, Council
22 Member Koo.

23 COUNCIL MEMBER KOO: Because I, like I
24 said, I've personally seen a few cases at seven
25 o'clock in the morning they're there ringing the

2 bell. Nobody answer because they know they wouldn't
3 open to strangers unless you can pass--you can give
4 them a call first and you are a tourist.

5 CHAIRPERSON WILLIAMS: Alright, Council
6 Member Koo.

7 COUNCIL MEMBER KOO: Thank you.

8 CHAIRPERSON WILLIAMS: We've also been
9 joined by Senator Espaillat. Next we have Council
10 Member Cornegy followed by Council Member Crowley and
11 then Gentile.

12 COUNCIL MEMBER CORNEGY: Thank you, Chair
13 Williams. Much like my colleague Council Member Koo,
14 I have one question and context that I'd like to put
15 it in. Of course, like all New Yorkers I'm concerned
16 with maintaining and even increasing the supply of
17 affordable housing in New York City, but I don't
18 think we achieve that by punishing private property
19 owners whose buildings are not part of the stock of
20 regulated housing, whether they're operating an
21 independent bed and breakfast or renting units on
22 sharing sites like Airbnb. Neither do I want to see
23 long-term renters who use apartment sharing to make
24 ends meet during lean times caught up in enforcement
25 sweeps. As long as they share responsibly, I believe

1
2 they deserve the flexibility to remain in the
3 apartments and neighborhoods they love. My question
4 is, does the city's building code recognize and allow
5 for the operation of small businesses known as bed
6 and breakfasts [sic] which include, are really one,
7 two and three family homes? All 57 counties of New
8 York State outside of the city permit these
9 businesses. I've heard from bed and breakfast owners
10 that recent enforcement efforts have targeted them.
11 Can you confirm this, or have you drawn distinctions
12 in enforcement between hosts in multifamily buildings
13 which is largely what is causing the difficulty,
14 multifamily buildings including rent regulated units
15 and owners of private homes, many of whom are
16 specifically taxed by the city's Department of
17 Finance as bed and breakfast?

18 ALEX CROHN: So, as the Director said,
19 our efforts are complaint driven. So there are no
20 efforts to target a specific, you know, group of
21 people or sort of actors. That being said, the law,
22 the state law and the city law doesn't make a
23 distinction between things like bed and breakfast or
24 non-bed and breakfast or sort of casual renters of
25 the apartment or longer term rentals. So, we do have

1
2 an obligation to respond to the complaints that come
3 in and that's what we do.

4 COUNCIL MEMBER CORNEGY: So, for the
5 purpose of this dialogue I will focus on bed and
6 breakfast, who although there is no distinction in
7 the city's code for bed and breakfast, the Department
8 of Finance has made a distinction, and many of the
9 small business owners who are owners of bed and
10 breakfastes [sic] have been paying their Department
11 of Finance taxes for many years. So, it's clearly as
12 the Chair of Small Business we're working diligently
13 to make sure that we can have those classified as
14 they should be, but in the meantime, they remain to
15 be what seems to be low hanging fruit as it relates
16 to regulations. We know who they are. We know how
17 they operate. They're out in the open. They do
18 business in the city, and so I would argue that they
19 are disproportionately being targeted because they
20 are considered not negatively, but I mean the term
21 negatively, but are low hanging fruit at this time.
22 So, many of them have racked up a tremendous amount
23 of fines and fees, and they're doing business in the
24 city and being taxed by the Department of Finance.
25 But so that distinction and that loophole is causing

1 a strain on a very viable small business in the city
2 of New York.

3
4 CHAIRPERSON WILLIAMS: Do you want to
5 respond?

6 ELIZABETH GLAZER: So, the response is
7 really we go where the complaints are. We go based
8 on health and safety. So, I understand what you're
9 saying about the Department of Finance and sort of
10 this being a different kind of class of folks. When
11 we respond to complaints, we're really--we're not
12 determining whether it's a bed and breakfast or some
13 other kind of unit. We're looking at what the level
14 of health and safety violations are.

15 COUNCIL MEMBER CORNEGY: So, these
16 complaints, based on my research with the bed and
17 breakfast, did not exist prior to this
18 implementation. So there were no complaints prior
19 to this period. Now, and there's hundreds of
20 complaints.

21 ELIZABETH GLAZER: Which period, I'm
22 sorry?

23 COUNCIL MEMBER CORNEGY: So, there were
24 no complaints prior to this institution of looking at
25 Airbnb and this focus. Do you believe that that's

1
2 because there is now focus or because they are very
3 obvious targets? Right? No complaints prior. There
4 were no--nobody had detailed to me any complaints
5 prior to the most recent effort from the Department
6 of Buildings and from the administration to, for lack
7 of a better term, a crackdown on illegally operated--

8 ELIZABETH GLAZER: [interposing] So I
9 would just take issue with that premise, that is we--
10 the complaints are what the complaints are, and they
11 come in and then we respond to them in the order that
12 I described. So, whether it's bed and breakfasts or
13 not, or whether bed and breakfasts are now showing up
14 more in the complaints, that I don't know, because we
15 don't distinguish it that way.

16 COUNCIL MEMBER CORNEGY: I apologize if
17 that sounded accusatory.

18 ELIZABETH GLAZER: No, no, I'm not--I'm
19 just trying to explain to you it's not enough--we are
20 looking at the complaints as they come in. What is
21 driving the complaints and whether there are more
22 complaints about bed and breakfasts, I don't know.
23 But that's not--there's not an intentional effort to
24 focus on bed and breakfasts versus anything else.

1
2 There's an intentional effort to focus on where the
3 health and safety violations are.

4 COUNCIL MEMBER CORNEGY: Good to know,
5 though, that there is a distinct effort on behalf of
6 myself and some other colleagues to differentiate
7 those small businesses that have operated for years
8 and have been actors from this action.

9 CHAIRPERSON WILLIAMS: Thank you, Council
10 Member Cornegy. I too have several bed and
11 breakfasts in my district and I'm looking forward to
12 hearing their testimony. We mentioned at the
13 beginning of the hearing, Council Member that for the
14 purposes of the laws that we're particularly talking
15 about, actually owner occupied one and two family
16 homes should not be included in it. And so, I just
17 want to make sure we made that clear, because they
18 actually--it is not illegal for the one and two
19 family units to be renting--one and two family homes
20 to be renting out their homes.

21 COUNCIL MEMBER CORNEGY: Please, somebody
22 tell the Department of Buildings that.

23 CHAIRPERSON WILLIAMS: I look forward to
24 particularly the owner occupied, but I look forward
25 to hearing their testimony and hearing what's going

1
2 on. Council Member Crowley followed by Council
3 Member Gentile.

4 COUNCIL MEMBER CROWLEY: Thank you,
5 Council Member Williams. Thank you for having
6 today's hearing. It's very educational. I want to
7 thank the Attorney General for doing his
8 investigation where he found over 16,000 illegal
9 hotels are operating in New York City. Month by month
10 this number is growing. It's industry that generates
11 hundreds of millions of dollars that goes untaxed.
12 The city cannot afford to allow these illegal hotels
13 to operate. We have a growing number of homeless
14 families. It's killing our affordable housing. Not
15 to mention, that it's simply not safe for tourists to
16 be in these illegal dwellings. Now, I'd like to talk
17 a little bit about being more proactive so we can
18 enforce the law. The only way we stop this industry
19 is by finding the industry for acting illegal. The
20 Attorney General found out that it was just a few
21 companies operating the majority of these units. My
22 question is why is the Attorney General, why does he
23 have the ability and not us, because it's our money
24 that we're losing in the city and it's hurting New
25 Yorkers, the ability to do the background

1 investigation to find out who the players are in this
2 industry, what is happening with illegal hotels in
3 New York, and why can't our city, our administration
4 be proactive? Why can't we do more to stop this?
5

6 ELIZABETH GLAZER: So, that's simply not
7 the function of this unit. This unit is an
8 inspection unit. It's response to complaints, and I
9 under--

10 COUNCIL MEMBER CROWLEY: [interposing]
11 Okay, I know your unit.

12 ELIZABETH GLAZER: and I understand that
13 you're sort of moved beyond--

14 COUNCIL MEMBER CROWLEY: [interposing]
15 There's also the Fire Department, and I Chair the
16 Fire Committee, and they are a city agency that has
17 always been proactive. We have hundreds of people
18 working in the Fire Inspection Unit of the Fire
19 Department. Chief Jensen, can you tell me how many
20 people work in the Inspection Unit?

21 THOMAS JENSEN: In the Bureau of Fire
22 Prevention, there's approximately 500 people,
23 approximately 300 are field inspectors.

24 COUNCIL MEMBER CROWLEY: Okay. So you can
25 deploy those employees, those inspectors to go to

1
2 these illegal hotels that are advertising on
3 websites?

4 THOMAS JENSEN: I, yes, I think--first of
5 all, you have to realize enforcement in this area is
6 quite difficult. I think we need the tools--

7 COUNCIL MEMBER CROWLEY: [interposing] But
8 if the Attorney General found out all this
9 information and it's been reported today that month
10 by month hundreds of hundreds of more are being
11 advertised online. The information is there with
12 addresses--

13 THOMAS JENSEN: Yes.

14 COUNCIL MEMBER CROWLEY: of how you can
15 find these locations that are dangerous.

16 THOMAS JENSEN: My inspectors enforce the
17 fire code, which is really a safety code, if the
18 sprinkler isn't working, if there egress is a
19 problem. This goes beyond the fire code at this
20 time. I think we need the tools that have to be
21 legislated to give us the tools to do the
22 inspections. That has to come from, I guess, our
23 legal and the city to give us the tools to properly
24 enforce laws that are there, that we may need more
25 laws to properly--to stop this problem.

2 COUNCIL MEMBER CROWLEY: Okay. What are
3 the tools and the laws? Because we want to work
4 together.

5 THOMAS JENSEN: Well, I--

6 COUNCIL MEMBER CROWLEY: [interposing]
7 Your inspectors know best. They're out there. If
8 they can't stop this proactively, we need to help
9 them stop this proactively. So give us the ideas.
10 What are--

11 THOMAS JENSEN: [interposing] Well, that
12 has to be discussed with legal, with the Building
13 Department, with the City Hall to come up with a
14 solution for enforcement. As I said, enforcement in
15 this area is difficult, and right now we don't have
16 the tools to do it. It has to be combined effort.

17 COUNCIL MEMBER CROWLEY: In any given
18 year, how much is raised by the city in penalties
19 brought about by these fines for fire violations, not
20 for illegal hotels, but just across the city? My
21 colleagues can understand how much money the Fire
22 Department generates by fining bad actors or people
23 who are operating businesses.

24 THOMAS JENSEN: Oh, it's in the millions
25 of dollars.

2 COUNCIL MEMBER CROWLEY: Millions, how
3 much?

4 THOMAS JENSEN: Yes. I don't have that
5 broken out, because our--the Bureau of Fire
6 Prevention, also there's a lot of fees and inspection
7 fees added into it, but I would guess maybe 20
8 million dollars or so every year.

9 COUNCIL MEMBER CROWLEY: I think it's
10 higher than that. Is there nobody here from the Fire
11 Department who can answer that question? It's
12 important because you generate more than it costs to
13 operate your unit.

14 THOMAS JENSEN: Okay.

15 COUNCIL MEMBER CROWLEY: You do, I know
16 you do, because I remember seeing it in the budget.

17 THOMAS JENSEN: I'm not arguing that.
18 Yes.

19 COUNCIL MEMBER CROWLEY: You do.

20 THOMAS JENSEN: Okay.

21 COUNCIL MEMBER CROWLEY: A significant
22 amount. So the city generates funds. This is how
23 we're losing money, too. When we find those bad
24 actors, we can penalize them and make sure that they

1
2 follow the law. It also generates money for the city
3 to run a more efficient fire inspection unit.

4 THOMAS JENSEN: I have no problem with
5 that, but I'm saying that we need the tools, the
6 specific laws to do that and enforcement, and that
7 has to be a cooperative effort between our legal,
8 city hall, billing department, the HPD to all get
9 together to do this. Right now, we don't have the
10 tools to perform the enforcement. Enforcement is
11 difficult in this area as everybody knows.

12 COUNCIL MEMBER CROWLEY: I have no further
13 questions.

14 CHAIRPERSON WILLIAMS: Thank you. Just to
15 follow up on that, because I asked earlier about
16 tools and laws. So, you don't--your ability to do
17 something more active right now is hampered by
18 existing laws, is that what you're saying?

19 THOMAS JENSEN: The latest law that was
20 passed helps, but yes, there are--enforcement here is
21 difficult. We don't get access to these apartments
22 many times. The whole system is difficult to
23 enforce. That's very--you know, that's known.

24 CHAIRPERSON WILLIAMS: But you're also
25 doing it from a complaint driven side as opposed to a

1
2 proactive approach? Now, how many inspectors you
3 said that you had?

4 THOMAS JENSEN: I have about 300 field
5 inspectors in the Bureau of Fire Prevention.

6 CHAIRPERSON WILLIAMS: And OSC has two
7 form the Fire Department?

8 THOMAS JENSEN: One.

9 CHAIRPERSON WILLIAMS: One. Are those
10 other inspectors also inspecting illegal hotels?

11 THOMAS JENSEN: No, they do a number of
12 other inspections. They do annual inspections. They
13 do fire code inspections throughout the year. They
14 are not specifically doing illegal hotel inspections,
15 no, but a lot of the hotel inspection that my
16 inspector does, he comes in if there's a fire code
17 violation, that's why he's there. If the sprinkler
18 system is out. If there's egress issues, so forth,
19 that's what he's enforcing, the fire code.

20 CHAIRPERSON WILLIAMS: Could you
21 independently authorize your inspectors to
22 proactively or complaint driven respond to more
23 illegal hotels?

24

25

1
2 THOMAS JENSEN: Well, we would have to
3 discuss that with the Mayor's Office of Special
4 Enforcement, how they operate.

5 CHAIRPERSON WILLIAMS: So no--can you or
6 is it, would it be a courtesy, or can you
7 independently do it? Do you have to reach out to do
8 it collaboratively? What is--

9 THOMAS JENSEN: [interposing] Well, I
10 think they've been doing it for a while. They have
11 the tools. They have the experience. If there
12 effort would be expanded, I'm sure we can give them
13 more inspectors. That is no problem.

14 CHAIRPERSON WILLIAMS: So it sounds like
15 you might be able to independently do it, but it
16 makes more tactical sense to work through the model
17 that's already--

18 THOMAS JENSEN: [interposing] yes, and
19 it's not a one agency thing. It's really a
20 combination, which is what they are doing.

21 CHAIRPERSON WILLIAMS: Well, it seems to
22 be coming to light, it seems that it's responding
23 versus being proactive. I know that the general lines
24 that there is enough resources to do this. It sounds
25 to me that there isn't, and there should definitely

1
2 be conversations about how we get additional
3 resources, particularly so we can be proactive in
4 going out and not only waiting for the complaints. It
5 seems what's coming out of some of the conversation
6 so far. I just have one question. I do have one
7 question then I'm going to go to Council Member
8 Gentile. How many lines of staffing just exist for
9 this in OSC?

10 ELIZABETH GLAZER: I think it's 12 or 13.
11 So a number from other agencies, from fire, from
12 buildings, from Police Department, and then several
13 dedicated within my own office.

14 CHAIRPERSON WILLIAMS: And all those
15 existing staff lines are staffed?

16 ELIZABETH GLAZER: Yes.

17 CHAIRPERSON WILLIAMS: Thank you.
18 Council Member Gentile, followed by Public Advocate
19 James, and then Council Member Mendez.

20 COUNCIL MEMBER GENTILE: Thank you, Mr.
21 Chairman. Chief Jensen and Director Glazer, I'm
22 picking off an aside some dichotomy that it happening
23 here during this conversation about how you handle
24 illegal conversions, particularly when you say that
25 for the short term occupancies, you will go in and if

1
2 you don't get access to the particular apartment or
3 apartments, you will use other investigative
4 techniques, circumstantial evidence, talking to
5 others in the building, so on and so forth. Am I
6 correct about that?

7 ELIZABETH GLAZER: Right.

8 COUNCIL MEMBER GENTILE: That is correct,
9 okay. So, you will use that kind of circumstantial
10 evidence to at least in the first instance allege
11 that there is illegal occupancy going on, correct?

12 ELIZABETH GLAZER: Right. I mean, there
13 are a number of ways to demonstrate facts, right?

14 COUNCIL MEMBER GENTILE: Okay.

15 ELIZABETH GLAZER: There are listings.
16 There are witnesses, there are--etcetera.

17 COUNCIL MEMBER GENTILE: So, and you'll
18 do that in terms of short term occupancies, but when
19 there are permanent illegal conversions which are
20 happening particularly in the outer boroughs, it's
21 the position of the Office of Special Enforcement
22 that there has to be access to the illegally
23 converted building in order to get an accusation or a
24 violation of a illegal conversion. Why is that
25

1
2 dichotomy present there with the Fire Department and
3 with the Office of Special Enforcement?

4 ELIZABETH GLAZER: I'm either not
5 understanding your question, or if I am, I don't--I
6 don't think that's right.

7 COUNCIL MEMBER GENTILE: Okay.

8 ELIZABETH GLAZER: I mean, the evidence
9 is the evidence. The methods of getting them are the
10 methods of getting them. I don't think there's a
11 distinction between short term and otherwise. If
12 there's a complaint--

13 COUNCIL MEMBER GENTILE: [interposing]
14 Okay, if there isn't then you--if there isn't then
15 you and I have to sit down, because we have been told
16 by Fire Department and from Department of Buildings
17 that if it's a permitted illegal conversion and those
18 are happening where two families become 15 family,
19 places are gutted and subdivided to 15 families where
20 it had been two, and they're stuffed in a building in
21 an illegal way and an unsafe way and destroying the
22 affordable housing in those outer boroughs, and yet,
23 when that's complained about we are told that unless
24 the Fire Department or unless the Buildings
25 Department can actually get into the building, and

1 often they're not as you know, they're not let into
2 the building, you cannot charge an illegal conversion
3 and the case is closed. And therefore, it continues
4 on and on and on in these outer boroughs, and what's
5 become like a permanent Airbnb is all these illegal--
6 these buildings have been gutted and illegally
7 converted into multiple, multiple, multiple
8 subdivisions that are illegal, unsafe, and yet, the
9 city turns a blind eye to it because you contend you
10 need to get in.

12 ELIZABETH GLAZER: I'm not aware of that,
13 but I will check and definitely get back to you on
14 that.

15 COUNCIL MEMBER GENTILE: I would
16 appreciate if you would, because this could be a
17 turning point not only in the short term occupancy,
18 but also a turning point in the permitted illegal
19 conversions that are happening in all the borough,
20 particularly in the outer boroughs in this city. So,
21 I will follow up with you on that. And you also say
22 there are patterns and trends that you look at in
23 short term occupancies in order to determine
24 enforcement opportunities, is that correct?

25 ELIZABETH GLAZER: Right.

2 COUNCIL MEMBER GENTILE: However, when it
3 comes to those permanent conversions, those permanent
4 illegal conversions where you have 15 or 20 families
5 in a three family home that are illegally subdivided,
6 you--it's the position, the city's position, Fire
7 Department as well as Department of Buildings that
8 you cannot charge an illegal conversion until the
9 occupancy takes place. Meanwhile, construction is
10 going on, buildings are being gutted, you know, 10
11 different electric meters are being up on buildings,
12 four different entrances and exits are being built on
13 the buildings, there are three or four, five
14 different water heaters going on in the basement, the
15 basement is gutted. All this is happening in front
16 of the entire community and yet, the city is saying
17 unless there's occupancy, you cannot allege a illegal
18 conversion. Now, that's a pattern and trend just as
19 well as any of these short term occupancies are
20 patterns and trends, and yet, the city refuses to act
21 on that.

22 ELIZABETH GLAZER: I'm not aware of what
23 you're--of that distinction that you're making. So,
24 I will definitely look into it, but I think, you
25

1 know, if it's illegal then we will go after it, but
2 I'm not aware of this distinction.
3

4 COUNCIL MEMBER GENTILE: Chief did you
5 have something to day?

6 ELIZABETH GLAZER: If the Chief had some
7 other--there may be some other--

8 THOMAS JENSEN: [interposing] Yeah, what
9 you say is correct, but can we get a court order to
10 enter the premise? Very difficult. When we go
11 before the courts to prove that's illegal occupancy,
12 unless we have the facts, unless we have the data,
13 it's very difficult to prove it's--I don't think it's
14 a lack of our trying. I think it's the problem with
15 enforcement with the courts and the laws that tie our
16 hands in some--

17 COUNCIL MEMBER GENTILE: [interposing]
18 Well, I go back to my original point as you said that
19 you use circumstantial evidence in short term
20 occupancies by talking to neighbors, by using other
21 investigative techniques, but you won't do the same
22 when it comes to permitted illegal conversions.

23 THOMAS JENSEN: That's something that our
24 enforcement bureau, our legal bureau would have to
25 look into, because they, they're the ones that

1 present in front of a court, but I believe if it was
2 that simple they would do it. It's not that simple.
3 It's quite complicated when you get in front of the
4 courts.
5

6 COUNCIL MEMBER GENTILE: All I ask you to
7 do is do the same you're doing for short term
8 conversions and do that for permanent illegal
9 conversions. Mr. Chair, I thank you for having this
10 hearing and certainly the short term occupancy is a
11 growing problem, but so is the permanent illegal
12 conversion of homes into illegally, unsafe and
13 unaffordable housing in the outer boroughs, and
14 that's an issue that should be coupled here as we go
15 forward.

16 CHAIRPERSON WILLIAMS: Thank you, Council
17 Member. Just to clarify, you do not use
18 circumstantial for--you do use it for the permanent
19 conversion, but not--you don't use it for permanent
20 conversion. Do you use it for illegal hotels?

21 ALEX CROHN: So, I just want to make one
22 distinction clear, which is the permanent illegal
23 conversions that you might be referencing, are not
24 necessarily under the purview of the Office of
25 Special Enforcement. We deal with short term

1
2 transient use of illegal hotels. The Department of
3 Buildings or the Fire Department may be dealing with
4 some more of these longer illegal conversions that
5 have nothing to do with transient use or tourists
6 coming into the city or anything like that. So, I
7 just wanted to make sure that distinction was clear.

8 CHAIRPERSON WILLIAMS: There's--go ahead
9 Council Member.

10 COUNCIL MEMBER GENTILE: The distinction
11 may be clear, but it's the same administration that
12 has to deal with both the short term occupancy and
13 the permanent illegal conversions. It's the same
14 administration, so you have to deal with it.

15 ALEX CROHN: Absolutely, and there are
16 instances, absolutely, that our office deals with,
17 transient usage where there are illegal conversions
18 as well, and we do, you know, vigorously enforce
19 those laws if it's under the rubric of an illegal
20 short term transient use hotel.

21 CHAIRPERSON WILLIAMS: So, for clarity, I
22 know that if it's an illegal basement or what have
23 you, or illegal apartment, there will be used
24 circumstantial evidence like extra doorbells or extra
25 mail boxes. Is there any such circumstantial evidence

1
2 that is collected and used to issue violations when
3 it comes to the illegal hotels?

4 ELIZABETH GLAZER: So, the reason why I
5 don't want to start to detail investigative
6 techniques here and begin to sort of lay out a
7 complete blue print is that this as you sort of noted
8 a pretty fast moving industry. We would like to stay
9 ahead of it if we could, and so there are all the
10 things that you could imagine that we might do, but I
11 don't want to sort of start detailing each set.

12 CHAIRPERSON WILLIAMS: Sure, and I
13 understand not publicly wanting to go into each
14 detail. I think I may try to put together another
15 briefing for the committee to ask some more detailed
16 questions, but what I'm just asking I think is a
17 general question. Is circumstantial evidence used
18 when trying to issue violations?

19 ELIZABETH GLAZER: Yes.

20 CHAIRPERSON WILLIAMS: Thank you. And I
21 want to thank Council Member Crowley who does Chair--
22 actually one question. How much money is raised in
23 violations from OSC issuing violations with the
24 illegal hotel?

1
2 ELIZABETH GLAZER: We don't have the
3 numbers, although we can get it to you, because they
4 don't come to my office. They're divided up by the
5 different agencies.

6 CHAIRPERSON WILLIAMS: So Council Member
7 Crowley got some numbers for the Fire Department,
8 their prevention unit costs about 32 million dollars
9 last year and they raised about 85 million dollars
10 based on numbers that are there. Are you saying
11 that's incorrect?

12 THOMAS JENSEN: Yeah, I would dispute some
13 of those numbers. I'm not a budget person, but I
14 could check the numbers, but I would dispute the
15 second figure.

16 CHAIRPERSON WILLIAMS: Alright. Well, it
17 says--I have it here. It says FDNY miscellaneous
18 revenues. They have the amount for description of
19 private alarm companies, franchises, two percent tax
20 on fire, insurance fire prevention, liens, fire
21 inspection fees that all total up 85 million dollars.
22 So, if that's the case, we definitely can get some
23 more inspectors, I think, but if you have other
24 numbers, I'd be happy to hear them. Next we'll be

1 followed by Public Advocate James, then Mendez, then
2 Johnson.
3

4 PUBLIC ADVOCATE JAMES: Thank you, Mr.
5 Chair. To Ms. Glazer, do you anticipate submitting a
6 request for additional inspectors for the relevant
7 agencies in this upcoming budget to address the issue
8 of illegal hotels or short term occupancy?

9 ELIZABETH GLAZER: So, those are all
10 decisions that, you know, we make within the Mayor's
11 Office as part of the Mayor's plan, so I don't have
12 an answer for you right now.

13 PUBLIC ADVOCATE JAMES: But do you
14 believe that 10 in the Office of Special Enforcement
15 is adequate to address the problem that we're dealing
16 with?

17 ELIZABETH GLAZER: Right now we feel that
18 we're doing a pretty good job of responding to the
19 complaints that come in.

20 PUBLIC ADVOCATE JAMES: The Chief
21 indicated earlier that he needed additional tools.
22 The tools that you reference, does it include
23 additional inspectors, Chief?

24 THOMAS JENSEN: Well, I was speaking about
25 legal tools for enforcement, basically to, you know,

1 to be able to enforce these laws, you know, whether
2 it's be able to get into these apartments, whether
3 it's the long term illegal conversion particularly,
4 court orders and so forth. That's really the tools I
5 was speaking about.
6

7 PUBLIC ADVOCATE JAMES: And what
8 provisions of the fire code specifically are violated
9 by these short term occupancies, short term rentals?

10 THOMAS JENSEN: Well, the fire inspector
11 is there to enforce the fire codes. If there's
12 egress issues, if there's maybe we found that some of
13 these buildings, the sprinkler system should be
14 working if it is there isn't and certain issues like
15 that, basically. The fire code has a number of
16 provisions for legal hotels and it's--and basically
17 these are acting as hotels, but they're not legal
18 hotels, so there are some enforcement that we can do
19 saying you're a hotel, but you don't have all the
20 requirements of a hotel and that kind of stuff.

21 PUBLIC ADVOCATE JAMES: So, it's my
22 understanding that the extent of our enforcement
23 primarily is individuals are issued violations by OSE
24 and they are--they go to ECB. Beyond that, is there
25 any specific legal prosecution?

2 ELIZABETH GLAZER: Yeah. So, we--it's
3 not just done individually, but we look at sort of
4 how the violation cluster, what the response is of
5 landlords to the enforcement actions, and if there
6 are particularly bad actors or extensive violations,
7 then we file civil litigation.

8 PUBLIC ADVOCATE JAMES: How many civil
9 litigation cases have you filed?

10 ELIZABETH GLAZER: So we filed three?
11 Two so far.

12 PUBLIC ADVOCATE JAMES: How many--

13 ELIZABETH GLAZER: [interposing] In the
14 past two years.

15 PUBLIC ADVOCATE JAMES: criminal?

16 ELIZABETH GLAZER: I don't believe that we
17 have criminal jurisdiction here.

18 PUBLIC ADVOCATE JAMES: So you've only
19 filed two civil and none criminal?

20 ELIZABETH GLAZER: We don't have the
21 jurisdiction to file criminal cases.

22 PUBLIC ADVOCATE JAMES: SO civil, you've
23 only filed two? Do you anticipate filing additional?
24 DO you need additional attorneys? What tools to do
25

1
2 you require in order to increase the number of civil
3 prosecution?

4 ELIZABETH GLAZER: So, the question, I
5 think, is how many of these do we anticipate that we
6 can or should file.

7 PUBLIC ADVOCATE JAMES: Correct.

8 ELIZABETH GLAZER: And again, we get to
9 the point of civil litigation once there is a focus
10 on a particular bad actor, a concentration of
11 violations that are not being responded to and that's
12 when the filing of the litigation is appropriate.

13 PUBLIC ADVOCATE JAMES: There is one
14 particular bad actor that all of us know about. It's
15 been in the subject of many articles and it's been
16 the subject of many press conferences, even one
17 today. What about that bad actor, specifically
18 Airbnb?

19 ELIZABETH GLAZER: So, we focus on the
20 activity of the landlords. That's where the
21 complaints are coming from.

22 PUBLIC ADVOCATE JAMES: I would like for
23 you to focus on Airbnb, which has been the subject of
24 a press conference outside and the subject of a
25 report by the Attorney General and the subject of

1 many hearings on the state level and I believe on the
2 city level, and I believe that's where our focus
3 should be. And let me just underscore the comments
4 that were made by Council Member Cornegy. We have a
5 number of legal B & B's, and I believe that it's not
6 coincidental that there have been increased, I would
7 argue, harassment against legal B & B's and all of
8 the attention focused on Airbnb and they
9 unfortunately are being caught up in this attention,
10 and I believe it's unfair. So, I think we need
11 additional tools. I would urge that you submit to
12 the Mayor of the City of New York a recommendation
13 for increased inspectors and more attorneys, and that
14 we take this issue very seriously. If we are--if we,
15 again, if our priority is addressing the crisis in
16 affordable housing that we are seeing in the City of
17 New York, and in all of the fees and taxes that are
18 owed by this one particular industry. I think now is
19 the time, now is the focus and this should be a
20 priority, and that's the really extent of my
21 questions. Thank you, Mr. Chair.

22 CHAIRPERSON WILLIAMS: Thank you very
23 much. Just for clarity, the hearing is on illegal
24 hotels, illegal short term hotels. There has been
25

1
2 one that has got some particular interesting
3 advertising in the past couple of months, but there
4 are a number of websites and sharing services that we
5 would like to see be in compliance if they are in
6 fact biding the law, and there is a lot of evidence
7 that shows that they might be. I do want to mention
8 just for clarity if you have a one or two family
9 home, it is not illegal to be operating renting short
10 term stays. If you have a three and four family
11 home, it might be that it seems to be a loophole in
12 terms of some of them operating not quite being
13 captured in the various laws which can be confusing,
14 and I too want to make sure that some of those owners
15 do find some protection. I did want to follow up on a
16 couple of things. You said you don't have the
17 authority to bring criminal complaints?

18 ELIZABETH GLAZER: Right. Our office
19 does not do that. Criminal complaints are brought
20 exclusively by a District Attorney's Office.

21 CHAIRPERSON WILLIAMS: Can you ask a
22 District Attorney to bring a criminal complaint?

23 ELIZABETH GLAZER: To refer a complaint?

24 CHAIRPERSON WILLIAMS: Yes.

25 ELIZABETH GLAZER: Yeah.

1 CHAIRPERSON WILLIAMS: Have you done any
2
3 of those?

4 ELIZABETH GLAZER: There has to be a
5 criminal violation.

6 CHAIRPERSON WILLIAMS: I see. But none
7 of your violations are criminal, they're civil?

8 ELIZABETH GLAZER: Right. We're a civil
9 enforcement unit.

10 CHAIRPERSON WILLIAMS: Is there--have you
11 found anything criminally, something that you can use
12 as a criminal complaint in any of the inspections
13 that you've done?

14 ELIZABETH GLAZER: I'm not aware of that,
15 but I can get back to you on that.

16 CHAIRPERSON WILLIAMS: Okay. Do you know
17 the breakdown of how many violations have been given
18 to one and two family homeowners and three and four
19 family homeowners?

20 ALEX CROHN: I mean, I think, as the
21 Council Member noted, the one and two families are
22 exempt from the multiple dwelling law, so those
23 violations should not be issued.

24 CHAIRPERSON WILLIAMS: So but you don't
25 know if you have?

1 ALEX CROHN: I don't believe they have,
2 but we can confirm and get back to you.
3

4 CHAIRPERSON WILLIAMS: And three and four
5 family?

6 ALEX CROHN: Oh, we don't have the
7 breakdown of that ready, but we can certainly go back
8 and see what we can come up with.

9 CHAIRPERSON WILLIAMS: Alright. I just
10 want to say I appreciate the conversation, but
11 there's been a couple of questions that I think you
12 should have had the answers to, that being one of
13 them, and I think I asked another one earlier. So if
14 we're going to come to a hearing about a subject,
15 it'd be great if we have a breakdown so that we can
16 dig into the subject a little further. So, I'm not
17 sure why those numbers aren't ready. The one I asked
18 for earlier it will be--I'm still waiting.
19 Hopefully, somebody can get that to me. But I think
20 it's appropriate for these questions to be asked and
21 appropriate for those answers to be readily available
22 for the Council Members. Next we have Council Member
23 Mendez followed by Council Member Koslowitz.

24 COUNCIL MEMBER MENDEZ: Thank you, Mr.
25 Chair.

2 CHAIRPERSON WILLIAMS: Wait, I'm sorry.
3 Before I get beat up, I made a mistake. It's Council
4 Member Mendez, Council Member Johnson, then Council
5 Member Koslowitz.

6 COUNCIL MEMBER MENDEZ: Thank you. So,
7 to whoever on the panel can answer this, but Ms.
8 Glazer, at the bottom of your testimony which runs to
9 the next page, it says that HPD and Department of
10 Consumer Affairs and other city agencies are part of
11 the taskforce. Can you tell me what units or bureaus
12 within those agencies and tell me what are the other
13 relevant agencies?

14 ELIZABETH GLAZER: Sure. They are not--
15 they're not officially designated as part of the task
16 force, but they are agencies that we work with.

17 COUNCIL MEMBER MENDEZ: And those
18 agencies would be?

19 ELIZABETH GLAZER: So, HPD, Consumer
20 Affairs, the Department of Health.

21 COUNCIL MEMBER MENDEZ: And are there
22 particular units within those agencies?

23 ELIZABETH GLAZER: I don't have those
24 off-hand.

1
2 COUNCIL MEMBER MENDEZ: That's
3 interesting. So you don't have them or you don't
4 want to say here?

5 ELIZABETH GLAZER: I can't tell you right
6 now--

7 COUNCIL MEMBER MENDEZ: [interposing]
8 Can't.

9 ELIZABETH GLAZER: because I don't know.

10 COUNCIL MEMBER MENDEZ: Okay, so can you
11 get our Chair and this committee that information?

12 ELIZABETH GLAZER: Sure.

13 COUNCIL MEMBER MENDEZ: Okay. I think
14 that's important because the agencies are big and
15 they have multiple units. So, in your testimony you
16 referenced the lawsuit of City Oasis, I think, LLC,
17 and also I remember just before Sandy hit there was a
18 building in Chelsea where the façade of the building
19 completely fell off and it was suspected that that
20 was in an illegal hotel. I want to know if that was
21 ever confirmed and I want to know in either of these
22 cases what happened after. Like, was it determined
23 to be an illegal hotel and then what happens after
24 that?

2 ELIZABETH GLAZER: Sure. So, the two
3 suits were one against Smart Apartments, which was 47
4 buildings throughout the city. It was a suit that
5 took 13 months and resulted in approximately a
6 million dollars in fines. The second suit by City
7 Oasis was filed in September, and it's currently in
8 litigation. So, we don't know what the result of it
9 is yet.

10 COUNCIL MEMBER MENDEZ: So, can you tell
11 me what is monetary fine at the high end and at the
12 low end for a first time offense that is associated
13 with running an illegal hotel?

14 ELIZABETH GLAZER: Sure.

15 ALEX CROHN: So under Local Law 45, which
16 the Council passed, repeat instances of illegal
17 hotels run at 1,000 dollars per day minimum and up to
18 25,000 dollars per day.

19 COUNCIL MEMBER MENDEZ: That was after we
20 passed the law, and what about prior? Because the
21 unit, the Special Enforcement Unit or the Office of
22 Special Enforcement has been in existence since 2006.
23 So, prior to the passage of local law whatever number
24 it is, 45, what was an offense on the high end and on
25 the low end?

1
2 ALEX CROHN: I believe most of those
3 violations were use that was contrary to the
4 certificate of occupancy, and I'm not exactly sure,
5 but I think it runs in the hundreds for that, but we
6 would issue a number of violations under those codes,
7 under building codes in order to sort of aggregate
8 larger fines, to have a larger deterrent effect.

9 COUNCIL MEMBER MENDEZ: Okay, now going
10 back to after passage of Local Law 45, you said it
11 was 1,000 dollars per day?

12 ALEX CROHN: That's correct.

13 COUNCIL MEMBER MENDEZ: And if there is a
14 repeat offense?

15 ALEX CROHN: It's actually--the way Local
16 45 works is only if there's a repeat offense, but a
17 repeat offense could be two days. So what we would
18 do, a thousand dollars per day, and if that's not
19 having a necessary deterrent effect we could scale up
20 for seeing egregious sort of behavior.

21 COUNCIL MEMBER MENDEZ: I'm a little
22 confused. So, you send an inspector. They determine
23 that it's an illegal short term rental. You issue a
24 violation.

25 ALEX CROHN: That's correct.

1
2 COUNCIL MEMBER MENDEZ: A thousand
3 dollars gets listed as the violation they need to
4 pay.

5 ALEX CROHN: That's correct.

6 COUNCIL MEMBER MENDEZ: The next--

7 ELIZABETH GLAZER: [interposing] Well,
8 first there has to be an adjudication saying that in
9 fact there was a violation. So, before we get to the
10 fine there has to be a determination that the
11 violation that was issued is supported by evidence.

12 COUNCIL MEMBER MENDEZ: Okay, let's--I a
13 couple of years ago had a tenant in one of my
14 buildings who was suffering with all these transients
15 coming in and out, and she actually got one of the
16 individuals who was staying there to give her the
17 bill, when they were staying there, how much they
18 needed to pay, and I handed that in, and there was
19 some follow up, and she thanked me because it took
20 some months but all the illegal rentals were stopped.
21 So, I handed in that which would serve as proof.
22 Someone who lives somewhere else had an address in
23 another state, another country I believe, I can't
24 remember, and it said from what date to what date
25 they were renting and that it was paid in full.

1 That's not sufficient evidence, or is that sufficient
2 evidence? You would still have to adjudicate that in
3 order to get the violation posted?
4

5 ELIZABETH GLAZER: That's with the
6 Environmental Control Board, who adjudicates these
7 violations. They are administrative law judges that
8 receive the evidence and they're the ones who make
9 the determinations about whether the evidence is
10 sufficient or not. So, it--

11 COUNCIL MEMBER MENDEZ: So, all of these
12 are going to the ECB? All of these--

13 ALEX CROHN: [interposing] The vast
14 majority of them are. There are a few that go to
15 buildings, but the ones we're talking about today
16 primarily go to ECB.

17 COUNCIL MEMBER MENDEZ: Okay, so I think
18 that's problematic having dealt with the ECB, and if
19 it's not going to the ECB where is it going?

20 ALEX CROHN: Some are just notice of
21 violation that are being issued by buildings, and
22 it's just a different judicatory process there.

23 COUNCIL MEMBER MENDEZ: When buildings
24 issue a violation, eventually it goes to the ECB for
25 a collection of fines if there's a fine involved with

1 it. So, besides ECB you can't tell me--there's
2 nothing in Housing Court, Civil Court, Supreme Court,
3 there's no other court or no other city agencies that
4 issues violation here when you find that it's an
5 illegal short term rental?
6

7 ALEX CROHN: I think as the Director
8 mentioned, we do file litigation. So there are a
9 place for the courts in those circumstances, but
10 again, yes these are primarily dealt with at the
11 administrative level.

12 COUNCIL MEMBER MENDEZ: Okay. So let's
13 say in my example with this tenant in this building,
14 everything gets cleared away. They're no longer
15 illegally renting out. Years have passed and they
16 decide to rent again, is there any measures taken for
17 someone who ceases, abates and then returns back to
18 the illegal activity?

19 ELIZABETH GLAZER: So, I'm not sure I'm
20 understanding, but each illegal event is an illegal
21 event that has to be proved with individual evidence
22 about that incident.

23 COUNCIL MEMBER MENDEZ: So--

24 ELIZABETH GLAZER: [interposing] So I'm
25 not sure if that response--

1
2 COUNCIL MEMBER MENDEZ: Right. We proved
3 it the first time, right? Years pass by. Then let's
4 say we prove it again. Is there anything that
5 happens because now the person is for lack of a
6 better word, a repeat offender, right? Is there any
7 special measures taken for someone in that situation
8 where they continue, granted with a break, but they
9 continued to practice these illegal renting?

10 ELIZABETH GLAZER: SO, again, each
11 individual instance has to be measured on its own
12 evidence, and is there a repeat offender--I don't--

13 ALEX CROHN: We will do follow-up
14 investigations. That is something that our office
15 always does to make sure that things actually have
16 abated, and in instances where there is failure to,
17 you know, adhere to our violations and failure to
18 remedy, we will bring civil litigation.

19 COUNCIL MEMBER MENDEZ: Okay. So--

20 CHAIRPERSON WILLIAMS: Council Member, if
21 you can--

22 COUNCIL MEMBER MENDEZ: I'm wrapping it
23 up, Mr. Chair. I actually have questions. Let me
24 ask in these cases where it's been adjudicated,
25 they're illegally renting out, does the city do any

1 kind of analysis to see how much we're losing in
2 hotel tax revenue? Has that ever been--analysis ever
3 been done?
4

5 ELIZABETH GLAZER: We have not done that
6 analysis.

7 COUNCIL MEMBER MENDEZ: Okay, thank you
8 very much, Mr. Chair.

9 CHAIRPERSON WILLIAMS: Thank you, very
10 much. We've been joined by Council Member Torres and
11 also Assemblywoman Rosenthal. Before we go--we'll be
12 going to Council Member Johnson, Koslowitz, then
13 Rodriguez. I do have to say, just to reiterate,
14 obviously I'm disappointed. That Council Member had
15 some questions also that there were not answers to.
16 If we're going to have the discussion, and I know
17 it's a hard one and there's not as much information
18 as we'd like, but we really should have some basic
19 information to have this discussion, and it seems to
20 me based on the preliminary discussion, I don't feel
21 like the way it's set up to respond to this is
22 adequate. I think what's happening in the city is
23 getting ahead of what we currently have set up. And
24 so I'm hoping to continue a conversation where we
25 definitely have to use some different strategies,

1 perhaps going after the website, definitely some
2 proactive strategies, but it seems to me that what's
3 set up now is not adequate for the problem that we're
4 discussing. Council Member Johnson?

5
6 COUNCIL MEMBER JOHNSON: Thank you, Mr.
7 Chair, and thank you for being here today and
8 answering all these questions. I think my colleagues
9 so far have done a pretty good job at drilling down.
10 So, I don't want to actually ask any questions, but I
11 can't stay for the remainder of the hearing. I have
12 to go back to my district. So I just wanted to make
13 a statement to be on the record. I just want to read
14 you just I think a pretty telling number, which is
15 the district that I represent which spans from Canal
16 Street to 63rd Street on the West Side, from SoHo up
17 to Columbus Circle. In Hell's Kitchen there are
18 1,073 listings on Airbnb, 1,073. In Chelsea where I
19 live there are 757 listings on Airbnb. In SoHo there
20 are 243. On the Upper West Side which I only have a
21 slice of it's a vast majority is in Council Member
22 Rosenthal's district, there are 1,255 listings on
23 Airbnb. So on the West Side from Canal Street up to
24 Hell's Kitchen, that's over 4,000 listings on Airbnb.
25 I live in a 319 square foot studio apartment and the

1 rent is too damn high, I can tell you that. But
2 putting that to the side, besides my rent being high
3 in all of these neighborhoods across the city, not
4 just on the West Side, the rent is going up, and for
5 a hardworking New Yorker that pays their rent, no one
6 should have to live in a building or next to someone
7 where the apartment is being used as an illegal
8 hotel, people coming and going, trapesing in and out,
9 no idea who they are, large suitcases, smoking,
10 people being loud and more crude things that I won't
11 even go into that go on sometimes. Now, I know that
12 there are a significant number of people, which is
13 why it's complaint driven, who use Airbnb or rent
14 their apartments out and there isn't any issue, but
15 that doesn't mean that it does not disrupt the
16 quality of life of the people who are living in those
17 apartments. And this is just setting aside the fact
18 that we know and you know, because you do the work
19 day in and day out that they are illegally warehoused
20 apartments throughout the city that have been taken
21 off market and that are diminishing our affordable
22 housing stock. So, I have great B & B. I have great
23 bed and breakfasts in my district. They are
24 wonderful businesses. They operate legally. They

1 pay their taxes. They should not be the target here.
2 They are not the ones who are causing the issue.
3 They have been operating legally for years and years
4 and years and contribute to the tax base of New York
5 City and give people options. There's nothing wrong
6 with that. The issue here is over 4,000 apartments on
7 the west side of Manhattan, how many people in this
8 room would want to live next to an apartment that was
9 being rented out on Airbnb on a weekly basis, even if
10 it was every weekend. How many people would want to
11 live next to that? Good luck to the three people that
12 raised their hands, because I wouldn't want to live
13 next to that. So, I think the point here is we're
14 drilling down on what the city is doing to actually
15 go after the really bad actors and the folks that are
16 probably the most egregious, but I think across the
17 board this is a significant issue, and let's just--
18 it's also important to mention that the people that
19 are using Airbnb to get some extra income where there
20 may not be problems by in large, Airbnb is basically--
21 -I mean, coerce isn't the right word--duping them
22 into breaking their leases that puts themselves at
23 greater risk for being potentially evicted from their
24 apartments or being kicked out by their co-op board
25

1 or condo association. So this is a mess across the
2 board. It is bad for the people in the building. If
3 I lived in a building--I'll finish, Mr. Chair. I'm
4 not going to ask any questions. If I lived in a
5 building that said you can't have parties, loud crazy
6 parties, and I said, you know, I'm going to have
7 parties on a weekly basis, crazy loud parties. I'm
8 going to use my apartment as a commercial space. No
9 one would put up with that. And my excuse is because
10 I need a little extra money to pay my rent. Sorry. I
11 mean, it's like me putting my selfish individual
12 interest over everyone else in the building. That's
13 not how we operate. What if everyone wanted to use
14 Airbnb? Where would we be? So, the point here is I
15 understand we don't have the capacity right now to go
16 after everyone. This is a mess. I am glad I am
17 joined by the Manhattan Borough President, members of
18 the Assembly and Senate, Assembly Members Gottfried
19 and Rosenthal and Senators Espaillat and Krueger who
20 have taken the lead on this and ensuring that Airbnb
21 can't buy off legislators in Albany to get their own
22 way. Thank you very much.

24 [applause]

2 CHAIRPERSON WILLIAMS: Please keep it
3 quiet. Next we have--thank you, Council Member
4 Johnson. Council Member Koslowitz then followed by
5 Council Member Rodriguez. I do want to thank the
6 administration. They've been here for roughly two
7 and a half hours. Thank you for your patience.
8 Hopefully we can wrap up fairly quickly and questions
9 will be good. Council Member Koslowitz?

10 COUNCIL MEMBER KOSLOWITZ: Thank you, Mr.
11 Chair. You know, when I came in here I was eager to
12 listen to what is going on, but I have to tell you,
13 sitting here today I am very disturbed, very
14 disturbed that we're putting people's lives at risk
15 because really there is no oversight in what is going
16 on in the city as far as B & B's, none whatsoever.
17 When you go in and do an inspection in a house and
18 you give a summons to them, and you give them a
19 second summons, and it's a dangerous situation, is
20 there any recourse? Do you have to wait to go into
21 court or whatever? What about the police, do they--
22 to call the police to shut down these places. You
23 know, when you're vending on a street and you have an
24 illegal cart, they confiscate your cart. When you
25 own a restaurant and you get a bad rating, they shut

1 down your restaurant. Here, really, nothing is being
2 done. You get a violation. You get a second
3 violation. You get a third violation and nothing is
4 being done. There's not enough inspectors. If you
5 depend on consumer affairs, I know personally they
6 don't have enough inspectors to inspect what they're
7 supposed to inspect. They do a great job, and we
8 have a very good Commissioner now, but we're putting
9 people's lives at risk by not concentrating on taking
10 care of them and making sure they're safe. Sure,
11 people want to save money, and I understand that, but
12 the city is losing money, and it's just unheard of.
13 I mean, right now, as far as I'm concerned if I had
14 to vote today I would vote that they were absolutely
15 illegal and they should all be shut down, because
16 it's very disturbing to me, and I just have to make
17 this comment. What happens when you go into a home
18 and you see that there are violations that could be
19 dangerous? What do you do immediately for that
20 situation?
21

22 ELIZABETH GLAZER: So, we have police,
23 the police officers are on our task force as well as
24 Building and Fire Departments. We bring nuisance
25 abatement actions, which is I think what you're

1 referring to, and so we use the tools that are at our
2 disposal and those are the tools, and we go first to
3 where there are dangerous violations.
4

5 COUNCIL MEMBER KOSLOWITZ: And what
6 happens to the people that are in there that rented
7 the B & B for a day, two days, four days? What
8 happens to them?

9 ELIZABETH GLAZER: That is not--the
10 effective way to address these violations is to go
11 after the landlords who are permitting the conditions
12 to exist. That's what the target is in these
13 violations because they are the kinds of conditions
14 that landlords are responsible for.

15 COUNCIL MEMBER KOSLOWITZ: But I live in
16 an apartment building, and if my next door neighbor
17 wants to rent out a room in her house--for four days
18 someone came to New York and they want to, you know,
19 do it in a cheap way. That person being in that
20 house puts my life at risk, because we do not know
21 what that person is going to do, what that person
22 would be allowed to do in the house. So we're
23 putting not only the people in the apartment, you're
24 putting my life at risk, and to me, it's a very
25

1 dangerous situation. Have you ever closed down and
2 shut down a B & B?

3
4 ELIZABETH GLAZER: So, the two places in
5 which we brought suits were the Smart Apartments,
6 which were the 47 buildings, and so the issue is to
7 remediate the violations, and that's what happened
8 there, and that's what we're in the process of doing
9 with City Oasis [sic].

10 COUNCIL MEMBER KOSLOWITZ: But what
11 happens if it's a dangerous situation right now?

12 ELIZABETH GLAZER: So, that's what the
13 inspectors and the police officers and the Fire
14 Department and all, that entire team is directed at,
15 where the dangerous violations are right now.

16 COUNCIL MEMBER KOSLOWITZ: But have you
17 shut down one immediately?

18 ELIZABETH GLAZER: I don't think that
19 that's within our purview in the range of options
20 that we have, but perhaps the Fire Chief can address.

21 THOMAS JENSEN: In rare instances where
22 there's imminent hazard, we can vacate a building or
23 part of a building. It's been the judgment of the
24 inspectors that someone coming into an apartment and
25 being there illegally does not constitute imminent

1 hazard where we would vacate. It's--imminent hazard
2 has to be used in instances where it is truly
3 dangerous and there's according to the inspectors and
4 it does not rise to that. We follow the normal legal
5 procedure of violations and fines and court. That's
6 the procedure we use. Imminent hazard--

8 COUNCIL MEMBER KOSLOWITZ: [interposing]
9 So there's no immediate shut down?

10 THOMAS JENSEN: Right. We do--in
11 instances where there is imminent hazard we will
12 vacate a building, but as far as this situation,
13 having someone who doesn't belong in the apartment
14 renting doesn't rise to that imminent hazard where we
15 would vacate a building or part of a building.

16 COUNCIL MEMBER KOSLOWITZ: Building, so
17 if my next door neighbor is doing something--

18 CHAIRPERSON WILLIAMS: [interposing]
19 Council Member, if you can wrap up also.

20 COUNCIL MEMBER KOSLOWITZ: doing
21 something, you evacuate me because I live right next
22 door to them.

23 THOMAS JENSEN: We might vacate that
24 apartment, but it has to rise to a very high level in
25

1
2 order to vacate someone from an apartment or a whole
3 building.

4 COUNCIL MEMBER KOSLOWITZ: Okay. It's
5 all I can say is I'm very disturbed.

6 CHAIRPERSON WILLIAMS: Thank you.
7 Council Member Rodriguez.

8 COUNCIL MEMBER RODRIGUEZ: Thank you,
9 Chair. For me, I look at the Airbnb and my
10 comparison is Uber. You know, there is company,
11 there's corporation that they don't want to follow
12 the same regulation, and I think that New York City
13 provide great opportunity for anyone who like to
14 invest into the hotel. You know, in a city where we
15 have 53 million tourists that came here last year,
16 there's opportunity for anyone who likes to invest on
17 building hotels. However, being accountable to
18 paying the same taxes that the hotel industry are
19 paying so that we can reinvest those money in our
20 city, then we will welcome those corporation. So,
21 for me, Airbnb would like to stay in New York City,
22 they should be a good business corporation and they
23 should know that that's the only way of how they will
24 stay here in New York City.

25 [applause]

2 COUNCIL MEMBER RODRIGUEZ: I have concern
3 about the number of staff that we have for the OSE,
4 and I think that the number is like 12 staff, that's
5 all we have.

6 ELIZABETH GLAZER: Yeah, that's right.

7 COUNCIL MEMBER RODRIGUEZ: Twelve, right.
8 And when we--when I have met with some members of the
9 hotel industry they have issue, because they feel
10 that 12 is not enough. And I hope that in this
11 coming budget, the council working with the
12 administration, we should able to put the money to
13 increase that unit at least to 50, because we need to
14 be results [sic]. I believe that if we have a great
15 team that do the enforcement, then it's going to be a
16 win/win situation. So, I know that this is not your
17 priority but will you--will you--will the
18 administration be open to work with the Council and
19 explore the possibility to bring that number up so
20 that we can have like a stronger law enforcement that
21 can look who are doing business in the illegal
22 hotels?

23 ELIZABETH GLAZER: Alright, so that's
24 something that, you know, the Mayor's Office looks
25 across all the priorities and needs of the city and

1 works with the Council on those things, and so I'm
2 sure this will be something that gets examined, but
3 has to be done in that context.

4 COUNCIL MEMBER RODRIGUEZ: I agree with
5 you and I know that, you know--I hope that you can,
6 we can do some work together, because I believe that
7 it can make a big difference. How many of those fine,
8 and this is my last question, how many of those fines
9 given by OSE went directly to Airbnb, and how many of
10 those fines given to B & B and the refunding them
11 bill guilty [sic]?

12 ELIZABETH GLAZER: So, we do not track
13 where the listing came from, because we go for the
14 violation. We go for the location. We go for the
15 bad actors, but we're not looking at what the
16 platform is that delivered that.

17 COUNCIL MEMBER RODRIGUEZ: Okay. And I
18 just hope that we can work making those changes, and
19 really, you know, go through the whole process, and
20 if anyone is responsible coming out, making illegal
21 hotels, they should pay the consequences. Thank you.

22 CHAIRPERSON WILLIAMS: Thank you. I have
23 two Council Members that have promised me they will
24 make a statement in 30 seconds, 30 seconds each.
25

1
2 We're going to first go to Council Member Rosenthal
3 who will have 30 seconds and then Council Member
4 Cornegy who will have 30 seconds.

5 COUNCIL MEMBER ROSENTHAL: Really
6 appreciate the opportunity for the 30 seconds, and I
7 want to follow up on exactly what my colleague
8 Council Member Ydanis Rodriguez just said. Look, if
9 we know that there are roughly 14,000 illegal rentals
10 out there, right? We know--we're going to set aside
11 the 40 percent of rentals that are fine. But if we
12 know that there are 14,000 illegal rentals out there,
13 and we know that 30 percent of the income from those
14 illegal renters are going to the top six percent of
15 landlords that are renting out multiple units, right,
16 and you're a complaint driven office that responded
17 to 1,100 complaints last year, all I'm asking is that
18 the administration put the bodies needed in your
19 office, the staff needed, whether it be fire,
20 firefighters, investigators, HPD, DOH, enhance your
21 team and your capacity so that you're not a
22 comfortable place to go after the 1,100, but that
23 you're at a comfortable place to go after the 14,000
24 units that are operating illegally in the city,
25 wreaking the havoc that everyone today who represent

1 districts, Koslowitz in Queens, Cornegy, you know,
2 throughout the city can be rest assured that the city
3 is suing all resources possible to do everything
4 possible to keep New Yorkers safe.

5
6 CHAIRPERSON WILLIAMS: Thank you Council
7 Member Rosenthal. Don't know--you don't have to
8 respond, but if you like to. No? Okay. Council
9 Member--

10 ELIZABETH GLAZER: Thank you.

11 CHAIRPERSON WILLIAMS: Council Member
12 Cornegy?

13 COUNCIL MEMBER CORNEGY: I'm not going to
14 waste my 30 seconds saying thank you, but you know,
15 in business school many, many years ago we learned
16 that sometimes there's a product that's synonymous
17 with, you know, a brand that's not any sort of
18 product, like Jeep, and what I don't want to do is
19 get caught up in--I don't want to differentiate
20 between the bad actors that we're trying to go after
21 and good, legal, legitimate bed and breakfasts. I
22 heard my colleagues mention several times in a catch-
23 all phrase that we want to look at bed and
24 breakfasts, and I think I really just want to take a
25 second as we're closing out with this particular

1 panel to reiterate the fact that we want to go after
2 the bad actors, and those bed and breakfasts we want
3 to carve out a place for them to exist in the city as
4 good legitimate small businesses.
5

6 CHAIRPERSON WILLIAMS: Thank you very
7 much. Just really quickly, there was one question
8 that I asked if we could get the responses was about
9 how many times tourists were found in the units.
10 Were we able to get that information? I had asked
11 earlier to see if we can get the answer to at least
12 one of the questions, which was how many times
13 tourists were found in units before you finished
14 today. Were we able to get any of that information?

15 ELIZABETH GLAZER: I don't have it for you
16 right now, and I'm not sure, as I mentioned, that we
17 actually track that. So that's what we have to
18 figure out and we'll get that to you today.

19 CHAIRPERSON WILLIAMS: Okay. Based on
20 the conversation that we have, is it still your
21 contention that you have enough resources to deal
22 with this issue?

23 ELIZABETH GLAZER: So, as I mentioned,
24 this is something that I think, you know, we need to
25 work on together. We look forward to working on it

1 together, but it's something that happens in a bigger
2 context than just my office.

3
4 CHAIRPERSON WILLIAMS: Okay. So just to
5 wrap up again, again, I just--we just need to have
6 more information for the questions that we asked.
7 Again, I'm disappointed that we didn't have that, and
8 hopefully I don't have to do another hearing to get
9 that information. And second, I think the usual
10 responses that we do have of much resources as we
11 need, I think it's pretty clear that that is not the
12 case. And so I'm hoping when we are working together
13 and we're pushing to get those resources that we
14 don't get a push back saying that we have what we
15 need to cover it, because clearly we don't, and I
16 think the strategy used, we are currently using is
17 not adequate for what the problem is. And the
18 problem as everyone notes is only getting worse year
19 by year. But thank you for your testimony. Thank you
20 for staying for several hours to address all the
21 Council Member's testimony. Very much appreciate it.

22 ELIZABETH GLAZER: Great, thank you for
23 your time.

24 CHAIRPERSON WILLIAMS: Next up we have
25 Manhattan Borough--we have Public Advocate Tish

1 James, Manhattan Borough President Gale Brewer,
2 Assembly Member Rosenthal. They'll be followed by
3 Home Wait [sic] if they are here and the crowd
4 favorite, Airbnb.
5

6 PUBLIC ADVOCATE JAMES: Mr. Chair, I'm
7 going to briefly limit my remarks because I know we
8 want to hear from the general public, but let me just
9 say this, affordable housing is at crisis levels in
10 our city, with vacancy rates in the single digits.
11 Now more than ever we must protect our diminishing
12 stock of affordable housing. Illegal hotels and
13 short term vacancies are a growing threat to
14 neighborhoods. Although the company has only been
15 around for seven years, my focus has been on Airbnb,
16 and Airbnb has become an increase threat to
17 affordable housing in New York City, particularly in
18 the aftermath of Governor Pataki imposing vacancy
19 decontrol in 1997. Affordable housing has
20 dramatically been diminished and illegal Airbnb usage
21 is now accelerating its demise and the problem is
22 only getting worse. The heart of the issue and the
23 heart of Airbnb's multibillion dollar operation has
24 been its use of 4,600 rental units for illegal short
25 term bookings. That's a staggering number with

1 serious implications. I will skip and basically say
2 Airbnb has thoroughly penetrated areas like Harlem
3 and Bedford-Stuyvesant, precisely the communities
4 that are least equipped to lose their rent regulated
5 apartments, and presently there are over 2,000 Airbnb
6 listings in Bedford-Stuyvesant, Bushwick, Green
7 Point, and in my district and in my former district
8 and where I currently live in Fort Greene and in
9 Clinton Hill where rents have increased by more than
10 28 percent from 2006 to 2012. Airbnb's rapid growth
11 in neighborhoods such as these that have seen an
12 explosion in rents is exasperating the housing crisis
13 and one of the factors that is unfortunately
14 contributed to Brooklyn being ranked as the least
15 affordable county in the nation, and that is why I
16 joined with the Attorney General of the State of New
17 York and I asked Airbnb, I asked them whether or not
18 urging MTA to ban the posters that Airbnb was
19 advertising on MTA until such time as they cleared
20 all of the charges by the Attorney General's Office.
21 The ads showcase New Yorkers fixing pancakes and
22 sharing good times with their Airbnb clients.
23 Neither we nor the Attorney General hold any grudges
24 against those hosts. It's really the illegal hosts
25

2 that we are focusing on, and that's why today I've
3 asked the city to limit the deleterious effects of
4 Airbnb's illegal actions by better enforcing the laws
5 through bringing on more inspectors and perhaps using
6 the law to enforce the protection of these housing
7 units. Thank you so much, everyone, and thank you,
8 Mr. Chair.

9 CHAIRPERSON WILLIAMS: Thank you. I know
10 some of the elected actually requested some of the
11 space when they're presenting and I know you're
12 asking to join this panel, Senator Espaillat. So you
13 can feel free. Again, we're going to try to extend
14 the courtesy of not putting a timer on, but we're
15 asking if everyone can keep their testimony short. I
16 thank you Public Advocate James for keeping your
17 testimony short. And actually, I forgot, but if
18 everyone can raise their right hand? Do you affirm
19 to tell the truth, the whole truth and nothing but
20 the truth in your testimony before the committee and
21 to respond honestly to Council Member questions?

22 : Yes.

23 GALE BREWER: Yes.

24 CHAIRPERSON WILLIAMS: Public Advocate
25 James who left, I'm sure she did tell the truth, I

1
2 hope. And you can start your testimony in whatever
3 order you prefer.

4 GALE BREWER: Okay. My name is Gale
5 Brewer and I am the Manhattan Borough President. I
6 want to thank Chair Williams and the Committee. As
7 we know, the issues before you today are very
8 important the topic we're hearing about touches on
9 so many different areas of law and policy as we heard
10 from the state municipal dwelling law to our city's
11 building, fire and housing codes, as well as zoning
12 law and broad questions of land use policy. That's
13 before we even start talking about the issues of
14 technology, the internet and the federal
15 communications law. It's easy to get lost on all of
16 the questions that get raised in this conversation,
17 and I think it helps to start with a central goal to
18 keep in mind throughout, that our city and state
19 governments have a duty to protect our residential
20 buildings and protect the safety, security and
21 privacy of New York's home, New Yorker's homes.
22 That's why working with a broad coalition of fellow
23 elected officials, tenant and housing advocates and
24 city agencies, I passed Local Law 45 of 2012, which
25 allows city enforcement agencies to impose higher

1 finds that serve as a real deterrent to illegal short
2 term rental operators, although we heard some of the
3 challenges that exist still today. Just so you know,
4 the law originally was 800 dollars per fine for an
5 entire building, and under Local 45 the fines go from
6 1,000 to 25,000, but I don't think they were able to
7 answer more specific questions earlier. It is why
8 the same coalition worked with Senator Krueger and
9 Assembly Member Gottfried to pass Chapter 225 of the
10 laws of 2010 in the state, which make technical
11 changes in corrections to state law and city codes
12 with the same ultimate purpose, to give city agencies
13 the tools they need to enforce against illegal short
14 term rental operators. Our city's unique in this
15 country with the high pressure of our housing market
16 and the density of our housing. We face unique
17 pressures, challenges and problems. We create our
18 very private and sacred homes within multiple
19 dwellings of various sizes, but without buffer
20 between us. Our laws therefore have come to define
21 the nature and character of our homes and have
22 recognized the importance of privacy and safety we
23 hope for in our homes. We share common hallways and
24 elevators. A home is a home. Public space is public
25

1 space, and transient hotels and hostels are just
2 that, public space. This qualitative difference is
3 embodied in the law for a reason, to protect tourists
4 and other transient visitors on one hand, to protect
5 residents and residential housing on the other. It
6 makes no sense to think that visitors to our city, no
7 matter how much we welcome them, will fit in
8 seamlessly in our residential buildings. We conduct
9 ourselves differently when we are within the building
10 where we make our home. We put out welcome mats,
11 although sometimes they're illegal, but that's
12 another story, leave our children's wet snow boots on
13 the hallway to dry, park a bike or a sled, and expect
14 our newspaper to lie undisturbed until we pick it up.
15 WE don't live in a transient hotel. We know our
16 neighbors. If we wait, weaken or fail to enforce
17 existing laws and regulations against illegal hotel
18 activity we are in effect forcing thousands of people
19 to live as if they are in a transient hotel. And
20 moreover, we are opening the door to arbitress, the
21 hijacking and repurposing of residential housing for
22 nonresidential purposes. In the context of
23 residential vacancy rates that have hovered near or
24 below three percent for decades and we've lost
25

1
2 100,000 regulated apartments in Manhattan in the last
3 10 years. This outcome would be unacceptable. By
4 the same token, prompted both by forethought and
5 sometimes by tragedy, we have developed a complex and
6 effective system of fire and health and safety posed
7 to protect consumers in our city, both tourists and
8 visitors, stronger fire codes, security requirements
9 and other safety features in hotels and transient
10 housing are enforced because we have the experience
11 that is necessary. I understand some view the
12 business model represented by many of the companies
13 under discussion today as forward thinking and
14 progressive, and they may even think creatively,
15 transgressive of current hotel business models in the
16 current regulatory framework, but it is certainly the
17 case sometimes truly innovative new business models
18 run a foul, pre-existing rules and ways the writers
19 of those rules do not expect. Sometimes, rules must
20 change to accommodate innovation, but in the case
21 we're discussing today, let me be clear, the rules as
22 they are written are no accident. Before anyone
23 heard the word "internet", and I was the first person
24 to have a Blackberry at city hall, I want you to know
25 that, New York had laws preventing class A

1 residential housing from being rented to short term
2 visitors. Their purpose was to protect both our
3 housing and residents. What we're discussing today
4 is one we see time and time in government, a business
5 comes along whose practices run counter to laws and
6 regulations that were written to protect consumers
7 and residents and protect a resource of crucial
8 importance in our city, in this case housing
9 inventory for permanent residents. The business
10 tries through every means at its disposal to carve
11 holes in the regulatory system to accommodate its
12 business model and able the realization of enormous
13 profits. This is a test. Will we allow the
14 financial interests of those businesses to trump the
15 needs of New Yorkers, to risk by flouting regulation
16 the lives and safety of tenants as well as visitors
17 and to add to the pace at which regulated and
18 affordable housing is disappearing. Without the
19 defense of our existing laws and enforcement, robust
20 enforcement, that's what's going to happen. The
21 businesses that seek to weaken or permit exceptions
22 to our laws are well funded and powerful. The data
23 released by the AG shows that a disproportionately
24 large share of the apartments been illegally used as
25

1 transit hotels and held off the rental market are
2 controlled by a small groups of owners. You have
3 heard compelling data from the testimony before me,
4 and you will hear more from witnesses. My staff and
5 I, however, have also heard over the years from
6 victims suffering most directly from the growth of
7 apartment sharing in the city. Many tenants face
8 serious conditions from noise and garbage and
9 traffic. The elderly and families with children are
10 made to feel unsafe by the constant streams of
11 strangers in the lobbies, but the greatest problem is
12 the threat to tenants by owners who hope to vacate as
13 many units as possible to then be used as illegal
14 hotels. Over the years, all of us in Manhattan have
15 all encountered cases where owners harass tenants or
16 refuse to renew leases all in an attempt to clear out
17 units for more lucrative use as illegal hotel rooms.
18 We have seen cases where an owner's use of an
19 apartment as an illegal hotel room function as a
20 harassment tactic aimed at neighboring tenants. For
21 the sake of these New Yorkers, I urge the committee
22 to demand greater funding as you did earlier for
23 enforcement of our laws and regulation in this area.
24 And I have to say both Sheri Hyman [sp?] and Kathleen

1
2 McGee were excellent previous directors and we need
3 that kind of consistency. Having spent eight years
4 chairing the councils Technology Committee, I am
5 confident you will find no stronger voice for the
6 application of new technology throughout the city,
7 but despite what some claim, this is fundamentally
8 not an issue of accommodating and applying new
9 technology. This is a continuation of a very old
10 fight, and it's a fight to protect our housing.
11 Preserving affordable housing and keeping all of our
12 housing safe and healthy for all New Yorkers must be
13 our first and overriding goal. I want to thank you,
14 but I also want to just mention because I'm very
15 familiar with the bed and breakfast situation. I just
16 happen--I own a brownstone. I know the issue
17 backward and forward and they are very unclear laws.
18 So we have to work on that. That is one and two's,
19 only if you're close to the avenue. If you're more
20 than 100 feet away, you are not legal under the
21 zoning code. So we need a lot of discussion about
22 that, something to discuss. Thank you very much.

23 CHAIRPERSON WILLIAMS: Thank you. Just
24 really quickly, you said if they're close to the
25 avenues only? We have never heard--

2 GALE BREWER: [interposing] If you're
3 within 100 feet you're fine. If you're not, you're
4 not legal.

5 CHAIRPERSON WILLIAMS: We'll have to
6 definitely confirm that. Thank you for--

7 GALE BREWER: I believe--nobody really
8 knows the law by the way. So you really need to have
9 a lot of discussion about it, but that is one
10 scenario.

11 CHAIRPERSON WILLIAMS: So, thank you
12 Borough President for the work that you've done as
13 Borough President and as a Council Member. I'm going
14 to nudge elected officials to try to summarize as
15 much as they can. Still going to provide the
16 courtesy. I would like to put four minutes on the
17 clock. You don't have to end there. We'll call it
18 courtesy with a reminder. So, you can start whenever
19 you'd like.

20 ASSEMBLY MEMBER ROSENTHAL: Thank you. I
21 will do my best to do four minutes. Thank you, Chair
22 Williams and thank you for your interest in this
23 pressing issue. Thank you other Council Members here
24 as well. I'm Assembly Member Linda B. Rosenthal. I
25 represent the 67th Assembly District which includes

1 the Upper West Side and parts of the Clinton/Hell's
2 Kitchen neighborhoods in Manhattan. My district like
3 so many others in New York City has struggled with an
4 illegal hotels problem. In 2007 I checked into one
5 of the most infamous illegal hotels in a single room
6 occupancy building in my district for two nights to
7 demonstrate that the building was illegally renting
8 out rooms to tourists for single night stays. What I
9 witnessed during my brief stay not only confirmed my
10 constituents' complaints, but reaffirmed my
11 commitment to eradicating illegal hotels. With the
12 advent of Airbnb my commitment is even stronger. For
13 those not familiar with the issue or those who have
14 been inundated with propaganda from Airbnb, the
15 illegal hotel practice is not a benign part of the
16 "sharing economy" now being popularized by those who
17 stand to profit the most from it. Illegal hotels have
18 been and will continue to be a scourge on the
19 communities in which they operate. Illegal hotels
20 are disruptive and potentially dangerous. Unlike
21 long term tenants, transient hotel guests are not
22 typically invested in the colmidy [sic] and wellbeing
23 of the community in which they are staying. It's
24 common for tenants to complain of an increase in
25

1 noise, garbage and vandalism in their buildings as
2 the number of transients increase. In addition, the
3 deluge of strangers trapesing through buildings at
4 all hours, tenants often report an increase in crime
5 such as burglary, muggings and even assault. When
6 transient occupancy occurs, when the key to the front
7 door of a multiple dwelling is given out to any
8 stranger renting a room, it is difficult to
9 distinguish those who belong in the building from
10 those who do not, which puts the entire community at
11 risk. I remember when one of the key tenants of
12 buildings was never to share the front door key.
13 That was our first and main means of protection from
14 people who didn't belong in that building. Now,
15 anyone can get in. In addition to general
16 deterioration and building conditions and
17 overcrowding of residential neighborhoods, the danger
18 to tourists in rental buildings cannot be ignored.
19 Fire and building codes are specific to each class of
20 building and designed to protect the particular
21 resident. Because residential buildings are not
22 constructed with the safety of a transient guest in
23 mind, tourists staying in them run a greater risk in
24 the event of a fire or other emergency. That also
25

1 obviously endangers residents who are supposed to
2 occupy those apartments. By far, however, the most
3 insidious characteristic of illegal hotel activity is
4 the fact that it contributes to the loss of
5 affordable housing in New York. With a vacancy rate
6 hovering just below two percent, New York City has
7 been struggling through an affordable housing crisis
8 of epic proportions. While wages and incomes have
9 stagnated, rents have sky rocketed and working
10 families in New York often have to juggle bills in
11 order to pay their rent and other regular expenses,
12 which is why we need to keep every rent regulated
13 affordable unit in the system and not have tenants
14 rent out their rooms and then fall into the trap that
15 they are not obeying the clauses in their leases.
16 Illegal hotel activity often occurs in neighborhoods
17 suffering with rising rents. The activity
18 contributes to damaging increase in rental prices
19 overall, which drives long term residents out and
20 working families further into the margins. For
21 landlords of buildings filled with rent regulated or
22 affordable tenants paying reasonable rents operating
23 an illegal hotel is an attractive, albeit illegal
24 option to increase profits at the expense of tenants
25

1 and affordable housing. To that end, the prospect of
2 operating an illegal hotel provides landlords with an
3 incentive to empty their buildings of affordable
4 tenants, usually accomplished through a combination
5 of targeted harassment and neglect. Once the
6 affordable tenant vacates, the illegal hotel activity
7 begins and the regulated unit is lost forever. So
8 it's hard to calculate the total number of housing
9 units lost to illegal hotel activities. In my
10 district alone we have shut down dozens of illegal
11 hotel operations and hundreds of units of affordable
12 housing. From any vantage point, Airbnb's promoting
13 illegal hotel activity regardless of how many times
14 it displays images of smiling families and the
15 everyman New Yorker in its advertisements plastered
16 all over TV and the subway. In my district alone,
17 there are more than 2,000 Airbnb units, and according
18 to the New York State Attorney General's
19 investigation, the vast majority of those units are
20 illegal. This activity destabilizes communities,
21 it's disruptive to tenants, dangerous for tourists,
22 and destroying what's remaining of New York's rapidly
23 diminishing affordable housing stock. Though I might
24 be of different generation, it's not hard to
25

1 understand what Airbnb is trying to do. Really, it's
2 simple. The company is trying to create a sharing
3 economy when in which their hosts run the risks of
4 eviction and contribute to the loss of affordable
5 housing, while the company shares in the profits of
6 its illegal enterprise. It's clear to all of us what
7 Airbnb is doing. What it calls a sharing economy is
8 really just a euphemism for, "We're going to share
9 your city's affordable housing with the world to
10 profit to the tune of billions of dollars." Like a
11 marauding army, Airbnb is flooding the market here in
12 New York City and other cities across the country
13 with illegal units. After its incursion is complete,
14 it comes to the government claiming ignorance and
15 begs to be carved out of the laws that protect
16 tenants and affordable housing citywide. Airbnb is
17 breaking the law and encouraging tenants to break the
18 law. Its excuse that it claims it is not its
19 responsibility to pay attention to the myriad
20 municipal regulations. Is unacceptable. Airbnb
21 should not be give cart blanche [sic] to break the
22 laws of the state of New York and threaten to further
23 destabilize communities that are already suffering
24 through an acute loss of affordable housing. If
25

1
2 Airbnb wants to operate here in New York, then just
3 like any other business, it must be required to
4 comply with the laws of the city and the state.
5 Thank you.

6 SENATOR ESPAILLAT: Thank you. I'm
7 Senator Adriano Espaillat. Good afternoon, and I
8 want to thank you for this opportunity to testify
9 before New York City Council's Committee on Housing
10 and Buildings and to you Chairman Williams and
11 Speaker Melissa Mark-Viverito for calling this
12 hearing. As the State Senator for the 31st District
13 and ranking member of the New York State Senate's
14 Housing Committee, I am glad the City Council is
15 continuing to look into how short term rentals are
16 putting our communities at risk. I would like to
17 thank my colleagues in government and activism from
18 local organizations including Northern Manhattan
19 Improvement Corporation, RENA [sic], Goddard
20 Riverside, the SRO Law Project, and Housing
21 Conservation Coordinators. Our city has a housing
22 affordability crisis, and companies such as Airbnb
23 will contribute to the problem. Just yesterday I was
24 speaking with constituents who were victimized by a
25 scam artist selling them non-existing rights to move

1 into a rent regulated apartment. This criminal play
2 to the desperation of New Yorkers to find affordable
3 housing in our city, a desperation that has grown
4 with housing costs rising much faster than wages.
5 Governor Cuomo's recent propose to create a higher
6 minimum wage is a step in the right direction.
7 Approximately 250,000 apartment have been taken out
8 of the rent stabilization system since 1993 due to
9 vacancy decontrol. With rent regulation laws up for
10 renewal in Albany this year, we'll be fighting to
11 eliminate vacancy decontrol, reform MCI, eliminate
12 the vacancy bonus, and additional measures that will
13 limit the amount [sic] landlords can use to price New
14 Yorkers out of their apartments. While Mayor Bill de
15 Blasio has made it a priority to address the housing
16 affordability crisis by expanding New York City's
17 housing stock with an additional 200,000 affordable
18 apartments over the next decades. Turning
19 residential rooms and apartment into short term
20 rentals reduce the availability of housing. This
21 results in even higher rental prices, putting New
22 York City at risk of becoming permanently
23 unaffordable. Many hosts are unaware of the
24 liability they are assuming when they turn their
25

1 residence into a short term rental. Last September,
2 Assembly Member Francisco Moya and I wrote a letter
3 to Benjamin Lawski [sp?], the superintendent of the
4 New York State Department of Financial Services, over
5 concerns regarding Airbnb's alleged one million
6 dollar host guarantees. While hosts may believe that
7 they have financial protection against damages, this
8 questionable form of insurance, which is now
9 sanctioned by the Department of Financial Services
10 only applies to the property owner. In a city where
11 roughly two-thirds of the residents are renters,
12 Airbnb's one million dollar host guarantee may
13 provide hosts peace of mind without mitigating any
14 risk. Renters who turn their apartments in to short
15 term rentals are often unknowingly putting themselves
16 at risk of eviction. According to the New York State
17 Attorney General Eric Schneiderman, from January 2010
18 to June 2014, 72 percent of units rented in New York
19 City were in apparent violation of city and state
20 regulation. This includes tenants of rent regulated
21 apartments who are legally not allowed to sublet
22 their apartment for more than a prorated share of
23 their rent. For a tenant living alone in a rent
24 regulated two bedroom apartment paying 1,800 dollars
25

1 a month, if they rent out an extra bedroom on a short
2 term basis for more than 30 dollars per night, that
3 tenant may face eviction. Short term rentals put New
4 Yorkers at risk, risk of eviction, risk of paying for
5 property damage, and risk of becoming priced out of
6 New York City. Airbnb has identified many of these
7 problems and should take the steps to ensure that
8 practices of the company and its hosts are in
9 accordance with the laws of New York State. I look
10 forward to working with the City Council and my
11 colleagues in Albany to ensure that short term
12 rentals are not destabilize our communities.
13

14 CHAIRPERSON WILLIAMS: Thank you very much
15 for the testimony, and Senator, you get the gold star
16 for testifying.

17 SENATOR ESPAILLAT: Four minutes, right?

18 CHAIRPERSON WILLIAMS: Right at four
19 minutes. I know at least one of my colleagues have
20 some questions. I did want to reiterate something you
21 said, Senator, something that I know you were trying
22 to summarize, and Assembly Member, you skipped, but
23 it was also in your testimony, this thing about the
24 200,000 units that we're trying to actually preserve
25 and build. I know someone remained from the

1 administration. WE should have brought it up sooner.
2 Obviously as we're trying to get to that number, if
3 we keep losing more and more to various things such
4 as illegal usage for hotels, we're kind of spinning
5 our wheels and pouring water in a bucket that has
6 holes in it. So, thank you for pointing that out.
7 Assembly Member, you said you stayed at a illegal
8 hotel at 2007?
9

10 ASSEMBLY MEMBER ROSENTHAL: Yes.

11 CHAIRPERSON WILLIAMS: How much did you
12 pay for the hotel?

13 ASSEMBLY MEMBER ROSENTHAL: I think it was
14 75 a night.

15 CHAIRPERSON WILLIAMS: Seventy-five a
16 night?

17 ASSEMBLY MEMBER ROSENTHAL: Yeah.

18 CHAIRPERSON WILLIAMS: Did you actually
19 stay or you just--

20 ASSEMBLY MEMBER ROSENTHAL: [interposing]
21 Yeah.

22 CHAIRPERSON WILLIAMS: How many nights
23 did you stay?

24 ASSEMBLY MEMBER ROSENTHAL: It was a two
25 night stay.

2 CHAIRPERSON WILLIAMS: Which site did you
3 use?

4 ASSEMBLY MEMBER ROSENTHAL: It was called
5 the Imperial Court.

6 CHAIRPERSON WILLIAMS: The Imperial
7 Court.

8 ASSEMBLY MEMBER ROSENTHAL: And it's 79th
9 Street between West End Riverside. Actually, it was
10 operating as an illegal hotel until recently, and
11 just recently it had chosen not to rent out any of
12 its rooms aside from the ones occupied by SRO
13 tenants, because it wasn't lucrative enough to rent
14 for a 30 day stay, even though it's an SRO hotel and
15 residence and that's what, you know, is meant for
16 long term tenants.

17 CHAIRPERSON WILLIAMS: You rented at the
18 building itself or did you go on--

19 ASSEMBLY MEMBER ROSENTHAL: [interposing]
20 Well, actually at the time it was through a website.

21 CHAIRPERSON WILLIAMS: Which website?

22 ASSEMBLY MEMBER ROSENTHAL: You know, I
23 can't remember right now. It was like the Expedia
24 and the--what were the other ones?

25 CHAIRPERSON WILLIAMS: One of those.

1
2 ASSEMBLY MEMBER ROSENTHAL: There are a
3 couple ones like that.

4 CHAIRPERSON WILLIAMS: Was there anything
5 different there? Like, if you walked up were you able
6 to tell that you are in a transient place as opposed
7 to--

8 ASSEMBLY MEMBER ROSENTHAL: Well, the one-
9 -the hotel doors for transient people had a card, and
10 the real tenant's doors has a door knob.

11 CHAIRPERSON WILLIAMS: Wow, okay.

12 ASSEMBLY MEMBER ROSENTHAL: I mean, mine
13 till had roaches and stuff. So it was like a real New
14 York experience.

15 CHAIRPERSON WILLIAMS: Thank you very
16 much. Council Member Cornegy, I know you had some
17 questions.

18 COUNCIL MEMBER CORNEGY: I just thank you
19 for testifying and spending so much time here this
20 morning. I wanted to say to the Borough President
21 that while we are furthering legislation that look,
22 that seeks to assist bed and breakfast in
23 establishing themselves as legitimate small
24 businesses and being consistent with the taxes that
25

1 they are paying already to finance, I'd love to
2 continue to work with your office on that.
3

4 GALE BREWER: I mean, it is a complicated
5 topic, so I know it personally, and I think that it
6 needs to have a lot of input from communities at the
7 same time, because it looks easy on the surface, but
8 it's got a lot of pitfalls if we're not careful.
9 Thank you.

10 CHAIRPERSON WILLIAMS: Thank you very
11 much for your testimony. I'm going to take a five
12 minute break just for a leg stretch. So, don't go
13 away. I know people are very interested in who will
14 be testifying after, which is Airbnb. If Hotels Away
15 is here, please come up and sign up a card so you can
16 testify as well.

17 [break]

18 CHAIRPERSON WILLIAMS: Welcome back
19 everyone. We should have David Hantman, Kenneth
20 Burris, Christopher Falkenberg, Lee Thomas from
21 Airbnb. Is that correct? I think we're going to set
22 the clock for four minutes each. If you can all
23 raise your right hand, please? Do you affirm to tell
24 the truth, the whole truth and nothing but the truth
25 in your testimony before this committee and to

1
2 respond honestly to Council Member questions? You
3 can begin in whichever order you prefer.

4 DAVID HANTMAN: Thank you, Mr. Chairman
5 and members of the Council. My name is David Hantman,
6 and I run global public policy for Airbnb. Thank you
7 for holding this hearing today. I'm glad to be here
8 representing not just our company but more than
9 25,000 hosts and hundreds of thousands of Airbnb
10 users throughout this city. We welcome this hearing
11 and we hope there are many more chances for the
12 public to learn about home sharing in New York.
13 More than 26 million people have now stayed in an
14 Airbnb listing around the world, and we know from
15 experience here and around the globe that when you
16 learn more about Airbnb and our amazing community of
17 hosts you see how to make cities--that we make cities
18 even better places to visit and call home. That's
19 why Amsterdam, Hamburg, San Jose, Portugal, San
20 Francisco, Portland, and Paris have all passed new
21 laws within the last year to clear the path for
22 renting out one's own home. New York policy makers
23 should not be left behind or advocate against their
24 own citizens who depend on home sharing to pay the
25 bills. The good news is we can tackle this

1 challenge. We can protect regular New Yorkers who
2 are sharing their home and still prohibit and punish
3 illegal hotels. A vast majority of New Yorkers
4 already believe that residents should be able to rent
5 out their own homes once in a while. Now, we just
6 need to work together and have a real discussion
7 about real solutions. I'm here to take questions,
8 but I thought first I'd just give a little bit of
9 data on our community here in New York and around the
10 world. We have on average about 25,000 active hosts
11 in New York on any given day. Most of those hosts,
12 about 90 percent of them, simply rent out their own
13 homes once in a while. A typical host in New York
14 might rent out their home for a few days when away on
15 vacation or maybe a couple of weeks a year for work
16 trips. Many hosts stay home during the rental and
17 others are gone the entire time. But either way, the
18 booking experience is far more involved and personal
19 than it would be say in a hotel. After all, imagine
20 you're renting out your own home or apartment. All
21 of your belongings are there. You're friends with
22 your neighbors. You want the experience to be
23 smooth. You want your guests to be honest and
24 responsible. You want to come back to an apartment
25

1 that is as you left it, and you certainly don't want
2 to have a negative impact on your neighbors. So you
3 take a lot of care in selecting your guests and our
4 site gives you the tools to make the best decisions.
5 Roomers and boarders have of course been transacting
6 for hundreds of years. The main difference now is
7 that both sides can use sites like ours to screen
8 each other and create a safer more transparent
9 environment during those transactions. We handle the
10 money in case something goes wrong and we provide
11 tools to hosts and to guests to make the process
12 easier. Every host and guest on our site can rate
13 and review those with whom they interact. A guest
14 who acts irresponsibly anywhere in the world for one
15 host may never find another place to stay, and a host
16 who doesn't provide a decent experience for travelers
17 doesn't get booked anymore or is removed by us
18 entirely. We also provide tools that allow our
19 community to have greater confidence that hosts and
20 guests are who they say they are, and we provide a
21 one million dollar host guarantee for damage issues
22 that might arise and now, secondary liability
23 insurance in the very unlikely event that someone
24 gets hurt in the home or the common spaces of the
25

1 building. We work very hard to make the booking
2 process transparent and to ensure guests have a high
3 quality experience. As a result, there are very,
4 very few issues of any kind. I know these rare
5 issues are the ones that make the news. They're more
6 interesting than the more than two million guests who
7 have acted responsibly, spent money in the five
8 boroughs and returned home without incident. But now
9 it's time to talk about the entire Airbnb community,
10 and now it's time for us to work together on some
11 sensible solutions. I hope we can do so today and I
12 look forward to answering your questions.

14 CHAIRPERSON WILLIAMS: Thank you. Is
15 anyone else testifying?

16 CHRISTOPHER FALKENBERG: Good afternoon.
17 My name is Christopher Falkenberg. I'm the founder
18 and President of Insite Security, a New York based
19 security consulting and risk reduction firm which
20 services Airbnb. Prior to starting Insite I'm a
21 former Secret Service Agent, and among my assignments
22 I was here in New York. In addition, I'm a former
23 police officer, and very early in my career
24 volunteered as a firefighter and emergency medical
25 technician. So, I bring to these issues a

1 multidisciplinary approach to risk and reducing risk,
2 both manmade and accidental, and that reflects the
3 range of disciplines my firm also bring to the fore
4 in helping Airbnb reduce risk. I've lived in New York
5 all my adult life, and in fact, I'm a constituent of
6 Committee Member Rosenthal. What I'd like to talk
7 about today is Airbnb's Trust and Safety Council, the
8 work that I and a number of other security and safety
9 experts have been working with Airbnb for well over a
10 year in trying to reduce risk in the platform and
11 improve safety and improve security. Airbnb compared
12 to its peer institutions, peer firms, has made a
13 significant investment in making the transactions as
14 safe as possible on the platform for both guests and
15 for hosts. We at Insite, I included, are engaged in
16 an ongoing dialogue with Airbnb's Trust and Safety
17 personnel to reduce every possible risk and to make
18 sure that each transaction, both in New York and
19 throughout the world are conducted in a way which
20 reduces the potential for any sort of risk for
21 adverse event. Airbnb for a long period of time has
22 been making a significant commitment to keeping these
23 transactions safe and thinking in a very forward
24 looking and coherent way in what are the range of
25

1 risks that occur at site similar to this or occur in
2 the internet in general, and how can the business
3 manage those risks, reduce them and to give people as
4 reliable and trustworthy in experience as possible.

5 I've been impressed over the years working with
6 Airbnb. Insite has a large number of multinational
7 clients, and we deal with a significant range of very
8 serious issues, and there is a range in which
9 corporations address these responsibilities and the
10 risk for harm. For the last year and a half working
11 with Airbnb I've been a small part of a very
12 significant effort to reduce that risk of harm, and
13 I'm here today to talk a little bit about how that
14 effort has permeated the site and the import with
15 which Airbnb takes the safety of both the guests and
16 the hosts.

17
18 KENNETH BURRIS: Thank you, Mr. Chairman.

19 My name is Ken Burris. I'm the Chief Executive
20 Officer of Witt O'Brien's. Witt O'Brien's is an
21 emergency preparedness and public safety consulting
22 firm. We've spent the last 40 years, I have
23 personally, helping public sector and private sector
24 organizations and clients build effective public
25 safety programs, either as the Fire Chief for the

1 city of Marietta, the head of US Fire Administration
2 during the Clinton Administration or the Chief
3 Operating Officer of the Federal Emergency Management
4 Agency during the Bush Administration. Witt
5 O'Brien's has partnered together with Airbnb to
6 enhance safety within this evolving community. Airbnb
7 retained our services in support of a clear goal to
8 encourage and support its hosts in providing the
9 safest listings available for both their guests and
10 for the public safety community. As a partner with
11 Airbnb we're committed to the continuous improvement
12 of the safety programs, whether it's the distribution
13 of free smoke and carbon monoxide detectors to hosts,
14 providing guidance tools for hosts to create safety
15 cards and emergency planning guides, safety
16 checklists, or in support of local disaster relief
17 organizations such as the Red Cross in providing
18 temporary housing to impacted victims. To exemplify
19 this, Airbnb's host responded to hurricane Sandy with
20 hosts providing over 1,400 units available to
21 impacted disaster victims. Airbnb's contributions to
22 the communities they serve are both tangible and
23 significant. Committed is a word that best describes
24 their corporate philosophy towards safety. However
25

1 safety is and has always been a shared partnership
2 between individuals and the providers of goods and
3 services, Fire safety most especially in that it's a
4 personal responsibility that's supported by the
5 public's infrastructure. The most effective way to
6 facilitate personal responsibility for safety is to
7 share information and knowledge. Witt O'Brien's
8 works with Airbnb to do just that, improving existing
9 tools to facilitate personal safety and preparedness
10 and support the development of emergency preparedness
11 plans by hosts which result in easily accessible
12 plans which are simple to understand and benchmarked
13 against national best practices. However, we also
14 support Airbnb in its efforts to develop new
15 initiatives and new programs. For example, with
16 support emergency preparedness training programs in
17 partnership with national NGO's such as the Red
18 Cross, the local emergency management agencies. As
19 referenced earlier in the city of Portland, Airbnb
20 has partnered with the Portland Emergency Management
21 Agency, and their staff has received training and
22 emergency preparedness in support of Portland's
23 Emergency Response and Recovery plans. Another
24 community based initiative that took place right here
25

1 in New York City, Airbnb is the lead sponsor of the
2 American Red Cross's Home Fire Safety Campaign which
3 kicked off in the city just this past weekend. Often
4 times, fire safety is initiated by the private sector
5 and innovations done by the private sector. The first
6 mist fire protection sprinkler system is an example
7 of the private sector, innovation. Airbnb is
8 embracing a similar role in the development of easy
9 to use safety and preparedness guides which can be
10 adopted across a wide variety of residential
11 occupancy types. In closing, we're proud to be
12 working with Airbnb here in the City of New York.
13 The city of New York in its public safety services
14 have long been an international leader in protecting
15 its residents and its guests, and we look forward to
16 working collaboratively with both Airbnb and the city
17 of New York to advance safety of the residents, the
18 neighborhoods and the visitors and continue this
19 tradition. Thank you.

20 CHAIRPERSON WILLIAMS: Thank you.

21 LEE THOMAS: Good afternoon Chairman and
22 Committee. We thank you for the opportunity to be
23 able to come and testify today. My name is Lee
24 Thomas. I'm from Ozone Park, Queens. About 13 years
25

1
2 ago I bought a home in Queens, New York with a
3 cottage used primarily for family and friends to come
4 and visit our beautiful city. I worked on Wall
5 Street as an executive making a very good salary and
6 traveled throughout the country and throughout the
7 world for both business and pleasure. After the
8 terrorist attack of 9/11 and working around Ground
9 Zero and being exposed to the air quality around the
10 World Trade Center site, unfortunately I became sick
11 and developed cancer. It's important to note that
12 this was before the Affordable Care Act was enacted
13 into law and I quickly discovered that most of us no
14 matter how successful or hardworking or whether you
15 saved a big nest egg or a rainy day fund, find only
16 one illness away that--find that you're only one
17 illness away from total disaster. Fighting my
18 illness and trying to maintain my health, I quickly
19 discovered that all that I have worked hard for over
20 the years began to dramatically diminish. The only
21 asset that I was able to use to maintain myself from
22 being financially wiped out was my guest apartment
23 that I primarily used for family and friends. This
24 is when I decided to list my apartment on Airbnb for
25 short term stays for those that wish to come to visit

1
2 our city. This was done primarily only to make sure
3 I did not fall into total despair and total disaster.
4 This was a stop gap, a safety net. I was not asking
5 anyone for anything, not the government, not any of
6 the social services. I felt that I had enough to be
7 able to rescue myself. It was because of this that I
8 was able to not get rich, but just to survive. My
9 story is similar to so many of us that host via
10 Airbnb. Some folks may have saved up over the years
11 or have family or friends that can help, but I was
12 proud that I was able to depend on myself when I was
13 in trouble. I'm happy to say that my health is better
14 now, but I'm still hosting on Airbnb because I love
15 sharing my home and our city with people who want to
16 come visit the great city of New York. Hosting and
17 using Airbnb and other online applications, we are
18 not trying to take anything away from the hotel
19 industry or the city of New York or from those
20 seeking long term permanent housing. We're just
21 hardworking citizens of the city depending on one's
22 self to help one's self. We are a productive part of
23 the city and its economy, and I hope that the City
24 Council and everyone in New York can come work

1 together on some solutions that work for all of us. I
2 thank you for the time.

3 [applause]

4 CHAIRPERSON WILLIAMS: Please keep it
5 down, please. Thank you all for your testimony. Mr.
6 Thomas, I'm very glad to hear that you overcome, it
7 appears, what you were suffering with. I hope that
8 continues.

9 LEE THOMAS: Thank you.

10 CHAIRPERSON WILLIAMS: Thank you for
11 sharing your story. I did want to ask additional
12 questions. How many units are in the building that
13 you live in?

14 LEE THOMAS: I have a two family unit.

15 CHAIRPERSON WILLIAMS: And the unit that
16 you are renting is in that same house?

17 LEE THOMAS: It is. Alright, so thank
18 you for your--for actually saying what you did, but
19 you don't actually--you're not the type of person
20 that we're talking about here. You fall within the
21 guidelines already of the law. So, this hearing is
22 actually not for you. So, thank you for following
23 the law and doing everything that you should be
24 doing, and I hope that you continue, and I hope that
25

1
2 you do not go into any kind of remissions, and I'm
3 happy that your home that your purchased, this one
4 and two family, has been able to financially secure
5 it. But just for clarity, this hearing is not about
6 you or anyone who is doing what you are doing. We
7 are just trying to discuss other actual violations
8 because you haven't violated anything. So we want to
9 actually talk about violations, but thank you for
10 sharing.

11 LEE THOMAS: Thank you.

12 CHAIRPERSON WILLIAMS: To, I guess, Mr.
13 Hantman or everyone, I just want to just do a
14 framework. So, are you familiar with the housing
15 problems that are in New York City at all or what do
16 you know about the housing crisis that we're in in
17 New York City?

18 DAVID HANTMAN: I am. I live in New York
19 City and I face the same rising rents that we all do.

20 CHAIRPERSON WILLIAMS: SO you do know--
21 you are well aware of the housing shortage that we
22 have here in the city?

23 DAVID HANTMAN: Yes. I'm not here to
24 claim I'm a housing expert, but I've certainly
25

1
2 experienced what others have experienced in this
3 city, and I understand it's an issue.

4 CHAIRPERSON WILLIAMS: And so I just want
5 to also be clear of your contentions. Your
6 contention is that Airbnb does not contribute to the
7 housing crisis or exacerbate the housing crisis that
8 exists?

9 DAVID HANTMAN: Right. Actually quite
10 the contrary. We have about, again, 25,000 units at
11 any given time. Ninety percent of those are just
12 rented once in a while. So, if you're renting your
13 own home for a week a year, you're in that home.
14 You're not taking it off the market. It's your home,
15 of course. Even if they were all rented fulltime,
16 25,000 units out of 3.3 million seems unlikely to
17 make a significant impact, and that's what research
18 has so far shown. That's not to say we're not
19 concerned with the eventual impact. If everybody on
20 Airbnb had 1,000 listings that would be an issue. We
21 work really hard with the city, with the state,
22 talking with the Attorney General on what to do about
23 that, and we make constant quality decisions of our
24 own community overtime that I think have reduced the
25 number of those kinds of hosts. I think if I can just

1 say what we saw today so far is really more of what
2 we've seen over the last year and a half which is
3 that we're talking past each other. We're here to
4 talk about the unbelievable number and quality of
5 people who just rent their own home once in a while,
6 the kinds of hosters [sic]. You know, we may or may
7 not be breaking the law, but he's the kind of host
8 we're talking about. So many people who just get
9 through tough times using Airbnb. All the talk today
10 has really been about these big illegal hotels. Let
11 me be clear, we do not support illegal hotels. We
12 are here for the kinds of hosts, hundreds of them who
13 showed up today to tell their story. I wish more
14 people have stayed around to hear it, but this is
15 what happens as we get into this discussion where the
16 attacks are about our company and about the big
17 illegal hotels, many of whom have been shut down and
18 removed, but we're not doing anything to solve for
19 the people who were told when the 2010 law passed
20 that it was not going to be used against them, and
21 yet find themselves the targets of things like this
22 hearing, the Attorney General report and other kinds
23 of things in the press. We need to do something about
24 them. We need to change the law to make it make sense
25

1
2 so you can rent out your own home if your lease
3 allows it for a week or two a year.

4 CHAIRPERSON WILLIAMS: Just for clarity,
5 thank you for testifying. I'm glad you're here
6 because some of the other sharing sites didn't. I
7 think Airbnb might share in some of the focus on
8 Airbnb because the response to this has been the
9 company itself kind of becoming the face of this
10 issue. It wasn't necessarily us, and the reason that
11 we're focused on the former is because that's what's
12 illegal. What Mr. Thomas discussed is not illegal.
13 So we have no real reason to focus about that on the
14 hearing, unless they are subject to fines and
15 violations that they shouldn't be. Mr. Thomas, have
16 you received any violations?

17 LEE THOMAS: I have not.

18 CHAIRPERSON WILLIAMS: Have you received
19 any fines?

20 LEE THOMAS: I have not.

21 CHAIRPERSON WILLIAMS: So that's why we
22 wouldn't be focused on him because he is following
23 the law. What we do want to focus on are the people
24 who are not owner occupied homes and who are not
25 renting rooms in their apartments, but people who are

1 renting their apartments in its entirety and who do
2 not actually live there. So that's why we're focused
3 on the illegal part of it, because that seems to be
4 what's actually causing, I believe, some of the
5 exacerbation of the housing crisis that we have. So
6 does that clarify why we're focusing, what we're
7 focusing on.

9 DAVID HANTMAN: Yes, I mean, I understand
10 it. I think the issue that I have is we see that
11 people talk mostly, obviously, about people who--talk
12 about host who have 100 or 200 or 1,000 listings
13 should they exist, and the kind of like Smart
14 Apartments that was shut down by the city. And I
15 guess the question I would ask whether rhetorically
16 or to the Council is are really talking about someone
17 who does this once a year for a week or are we
18 talking about people who do this all the time?
19 Because what we found from our data, I think that
20 experience is very important, right? We've had more
21 than two million people stay in New York now over the
22 last few years. Most of them come, spend money in
23 the outer boroughs, in Manhattan. They're not
24 competing with hotels. They go home. No one knew it.
25 There's no incident, and that's why you see so few

1
2 complaints. That's why the city came and said we're
3 handling the complaints we have. What we have also
4 seen though--

5 CHAIRPERSON WILLIAMS: [interposing] SO,
6 let me just be clear. Even if they haven't received
7 incidents, depending if they're doing it illegally,
8 they've taken a unit off the market, and that in and
9 of itself is a problem. So I just want to make sure
10 just because there's no incidents, and I'm glad that
11 there were, incident in how you describe it is not
12 what we're focused on. The fact that that unit is
13 off the market for a permanent rental is what the
14 problem is.

15 DAVID HANTMAN: And I think that's
16 exactly my point. That unit is not off the market
17 for permanent rental if a host is--if I decide in my
18 apartment where I live all year round and I go on
19 vacation for four days and I rent it out for four
20 days that entire year, it's not off the market. I'm
21 using it as my primary residence, and I've made a
22 little bit of extra money to pay the rent, and
23 someone's come in to visit, but that is not a
24 business. It shouldn't be treated as a business. On
25 the other hand, if I take 20 apartments, 30

1
2 make the bills. They don't have time to come here
3 and explain whether they got a fine or not, and
4 that's what we've done. We've stepped up for them,
5 and I'm proud to do that. We're here to talk about
6 that hosting community which is getting left behind
7 by this law and by these discussions.

8 CHAIRPERSON WILLIAMS: Well, I'm sure I'm
9 going to have to clarify it a few times, but I'm
10 happy to. So, we're not talking about people who
11 aren't receiving violations. We're not talking about
12 people who are doing what they should be doing.
13 We're talking about apartments that are being taken
14 off the market and being used illegally. So, let me
15 ask this, do you believe that any of the listings on
16 your website are being used illegally or violating
17 any of the codes in the city of New York?

18 DAVID HANTMAN: So, it's--I mean, we don't
19 look that closely at what people are doing. It's
20 obviously it's okay to do this if you're in certain
21 buildings, not if you're in certain other buildings.
22 It's okay to do it if it's a shared space, not if
23 it's an entire listing. So what we're aware of is
24 that there are hosts who want to list on Airbnb to
25 rent once and a while who cannot do so under the

1 current law, and we're aware that the current law, we
2 were promised in 2010 as a community not as a company
3 because we were very small--

4 CHAIRPERSON WILLIAMS: [interposing] I'm
5 sorry, what do you say you were aware of?

6 DAVID HANTMAN: I'm aware that there are
7 people who want to do this once in a while in their
8 own home who cannot do so because of the law. I
9 don't know any specific numbers on Airbnb. I think
10 when the Attorney General says--we've heard a lot of,
11 you know, 14,000, 16,000, 70 percent, a lot of
12 numbers flying around. He's including people not
13 just who are doing this with 100 apartments, but
14 people who are doing this five days a year. I don't
15 think that--I think we should focus on changing that
16 law.

17 CHAIRPERSON WILLIAMS: So for clarity, my
18 question was, did you know of anyone or any listings
19 that are violating the law? You start off by saying
20 that you don't look at it that closely, but then you
21 stated that you know how many people are using it for
22 how long and that people are using it just to pay
23 certain bills. So, how do you know that information
24 if you don't look at the listings?
25

1
2 DAVID HANTMAN: We've done a lot of work
3 with our community to find out why they host. We know
4 how much money they earn, obviously, because we
5 process that transaction. We see how often they do
6 it, so we have data about that, but we don't know
7 what kind of building you live in, what your lease
8 says. We ask every host to obey the law and obey
9 their lease, and we work very hard to try and
10 advocate for laws that make sense for that community.

11 CHAIRPERSON WILLIAMS: So the company
12 that is presenting itself as a company that is doing
13 and acting neighborly, you spend time finding out why
14 they host but not whether they're hosting legally?

15 DAVID HANTMAN: We also find out, again,
16 whether they're providing a good service to our
17 community and to their neighbors at large, which is
18 why we removed thousands of listings from property
19 groups.

20 CHAIRPERSON WILLIAMS: Repeat that again.

21 DAVID HANTMAN: So, we also spend a lot of
22 time looking at our community to make sure they're
23 providing quality experiences to both our guests and
24 the neighborhood at large. So, we've removed
25 thousands of listings in New York, for instance,

1
2 because they were not providing that kind of
3 experience and because they should not have been on
4 our site. We're constantly doing that kind of
5 review. But we focus as a company on a platform on
6 the kind of quality experience that people are
7 providing to their fellow community members and to
8 the cities.

9 CHAIRPERSON WILLIAMS: Have you done any
10 work to figure out if people are hosting their
11 apartments legally or not?

12 DAVID HANTMAN: We've certainly been told
13 they are. So, I'm happy--

14 CHAIRPERSON WILLIAMS: [interposing] My
15 question was have you done any research or work to
16 find that people are hosting their apartments legally
17 or not?

18 DAVID HANTMAN: We don't, we don't
19 research that.

20 CHAIRPERSON WILLIAMS: Wouldn't that be
21 something a responsible company would do if they want
22 to continue doing business in New York City.

23 DAVID HANTMAN: So, we are happy to talk
24 to you about this at length, I think. I'm reluctant
25

1
2 to get into a game of gotcha here about what we know
3 and don't know about our community. We don't--

4 CHAIRPERSON WILLIAMS: [interposing] Sir,
5 you started out telling me exactly why people are
6 renting. You explained the situation they may be in.
7 you explained research that you've done on why
8 they're hosting. You explained a lot of things and
9 it just seems strange to me that one of those things,
10 one of the research that you would try to do is to
11 make sure that the business model you presented is
12 actually a legal business model. So, I don't know if
13 it's a game of gotcha. It just--that seems to
14 correlate for someone doing business. All the things
15 that you have done research wise, why the one thing
16 that makes the most sense, which is whether it's
17 legal or not would be the thing you've done least
18 about?

19 DAVID HANTMAN: I appreciate the question.

20 CHAIRPERSON WILLIAMS: So, according to
21 the Attorney General's report, over 70 percent of the
22 Airbnb listings in New York City are in violation of
23 the New York State Multiple Dwelling Law, which
24 requires a permanent residential buildings to be
25 occupied for 30 days or more. DO you have any plan

1
2 to address this or remove those violations from your
3 listing or remove them in general?

4 DAVID HANTMAN: So, I think again that
5 gets to the question of what we're really talking
6 about here. First, those numbers are not accurate.
7 They certainly would no longer be accurate. As our
8 community changes over time, and since then we have
9 removed thousands of listings, both of concern to the
10 Attorney General and of concern to us. We found that
11 there were people on the site with too many listings
12 providing a service, quite frankly that was very
13 contrary to what our community is supposed to stand
14 for and what New York would expect. Those listings
15 have been removed and we'll continue to look at our
16 site in the future. I think, again, what I'm--I'm
17 really happy to be here talking about these issues
18 because it really is clarifying, I think, for me and
19 the public what we're really talking about. Out of
20 that so-called 72 percent which is not accurate, most
21 of those people would be people doing this just once
22 in a while, because most of our site are people doing
23 this once in a while. So, one question is are people
24 breaking the law by doing this four days a year in
25 their own home? Another question is should that be

1
2 against the law? And what we're trying to do is
3 focus on whether that should be against the law and
4 advocate against it. Again, when the 2010 law was
5 passed, the public was promised that those people
6 were not the subject of the law. Yet, now we see
7 every hearing, every AG subpoena involves all of
8 those people, not just people doing this as illegal
9 hotels. Again, the illegal hotel law to go after
10 people snapping up dozens of apartments or making an
11 entire building into a transient hotel, a very noble
12 cause and done well, it just went a little too far as
13 I thought people acknowledged at the time, and we're
14 just asking for a technical fix.

15 CHAIRPERSON WILLIAMS: I am--there may be
16 people getting captured that shouldn't be,
17 particularly wanted to hear the BB & B. I'm sorry,
18 the B & B owners. But I'm not sure that you're--the
19 framework you're setting is correct, because if there
20 are no one who just does it once in a while receiving
21 the violations, receiving multiple dwelling law
22 violations, and those are not the ones that we're
23 focusing. Although, you keep bringing them up, and I
24 understand they would have more of a sympathetic
25 voice, but they're not the ones that we're focused

1 on. We're focused on the large amount of people who
2 are taking their apartments off the market. So let's
3 assume that for the sake of argument you are correct
4 and that the AG's report is too high. Let's pretend
5 it's just 20, 25 percent. Is that more fair?
6

7 DAVID HANTMAN: Again, I don't know the
8 number specifically. I think that all those numbers
9 are high, but again--

10 CHAIRPERSON WILLIAMS: [interposing]
11 Let's pretend. Wait a minute. Let's pretend it's a
12 percentage. Do you have a plan moving forward to
13 remove whatever that percentage is off of your site
14 that are violating the multiple dwelling law?

15 DAVID HANTMAN: We're in 34,000 cities and
16 it's difficult as a company, a platform, and internet
17 platform to start making decisions about the law an
18 about individual contracts, which we're constantly
19 asked to do. This would be the same with any internet
20 platform. That said, we're very eager to engage in
21 these discussion and to figure out with the city and
22 state what makes sense for the law. What we've faced
23 so far is just an onslaught, and it's very difficult.
24 We can pretend all these things, right? But I think
25 what we really need to talk about is what the facts

1 are. The facts are we heard today people say, "Okay,
2 we only got 1,000 complaints, but there's 16,000
3 people breaking the law. Can you go after those
4 16,000 people?" And I think the people they're
5 talking about are people who do this once in a while.
6 And so, I think the first thing we need to do before
7 this discussion is decide are we or are we not after
8 regular people, the hundreds of folks who have showed
9 up here today and are outside, can't get in the room
10 and the thousands more outside who are just going
11 about their business. Or are we talking about true
12 illegal hotels taking housing off the market and
13 impacting the fabric of the city? I think what we're
14 doing here is we're pretending that we're talking
15 about illegal hotels, but we're really going after
16 everyone, and I think that's what we're troubled by.

18 CHAIRPERSON WILLIAMS: There are a bunch
19 of people outside who are opposing Airbnb, and I--you
20 had a nice advertisement here that also offered a
21 free t-shirt for people that came. That might have
22 helped boost some of the numbers.

23 DAVID HANTMAN: You've seen the t-shirt.
24 I'm not sure how much of an incentive that is, but--

1 CHAIRPERSON WILLIAMS: Well, I got it
2 here.

3 DAVID HANTMAN: I didn't get mine yet by
4 the way.

5 CHAIRPERSON WILLIAMS: But it might help
6 boost numbers. We'll be passing out Airbnb NYC shirts
7 for those that respond early, RSVP right now to
8 reserve yours. So that might have helped boost up
9 the numbers. I mean, there are some people that do
10 that as well. So I won't ask [sic] just to effect
11 you [sic], but I do want to--

12 DAVID HANTMAN: I don't want to comment
13 on that.

14 CHAIRPERSON WILLIAMS: Okay. So just for
15 clarity, whatever percentage it is, would you--since
16 you don't have the opportunity to do it because
17 you're in so many cities, would you support our
18 efforts to make sure that we deal with those units
19 that are violating the multiple dwelling law?
20

21 DAVID HANTMAN: So, again, we have taken
22 thousands of listings off from people who were--

23 CHAIRPERSON WILLIAMS: [interposing] But
24 not for violating the multiple dwelling law? Well,
25 you couldn't, because you don't do research on--

2 DAVID HANTMAN: Right. We're taking them
3 off because they were providing a bad quality
4 experience. I suspect some of those people based on
5 what the AG told us about them were also violating
6 the law, but I'll let them decide that. Again, the
7 law is fairly complicated. I would give you one
8 example. Everyone here has acknowledged today that
9 shared spaces do not count under the law, and yet, a
10 year and a half ago, Nigel Warren [sp?], one of our
11 hosts, was prosecuted by the city and the
12 Environmental Control Board even actually fined him
13 2,400 dollars despite the fact that they acknowledged
14 he was in a shared space. He was present during the
15 entire rental. The judge just decided that this was,
16 you know, not relevant. And so he was--

17 CHAIRPERSON WILLIAMS: [interposing] So,
18 our understanding is that the owner was not present,
19 it was his roommate that was present. So that's an
20 error--

21 DAVID HANTMAN: [interposing] The
22 roommate was--I apologize. The roommate was on the
23 lease, and the law was very clear that if you're on
24 the lease and in control of the apartment and you
25

1
2 were there, you can do this. And in fact, that was
3 appealed to make that clear.

4 CHAIRPERSON WILLIAMS: Do you know if
5 that person will be testifying today?

6 DAVID HANTMAN: I don't think so, but I
7 don't know for sure. But I think he's the best
8 example of the law was very clear that what he was
9 doing was entirely legal. The city still came after
10 him and the judge ruled against him.

11 CHAIRPERSON WILLIAMS: It might have been
12 better to bring someone who has an example like that
13 than someone who actually is not violating the law at
14 all so that we can hear from that person.

15 DAVID HANTMAN: He wasn't violating the
16 law at all.

17 CHAIRPERSON WILLIAMS: But Mr. Thomas
18 isn't violating, what he testified was not even a
19 question whether he violated the law, but someone
20 like you described would have been someone that would
21 have brought more information to what you're talking
22 about.

23 DAVID HANTMAN: All I can say is that
24 there are hundreds of people waiting to testify, and
25 I'm sure some of them will be able to tell you those

1 kind of stories. What we can tell you is the kind of
2 host we're talking about are not the kind of people
3 you're talking about. These big illegal hotels,
4 this--you know, it's easy to paint that picture, but
5 that's not the true picture here.

7 CHAIRPERSON WILLIAMS: I gotcha [sic].
8 It's easy to paint that picture because there are a
9 lot of illegal used apartments.

10 DAVID HANTMAN: Yes.

11 CHAIRPERSON WILLIAMS: And I know you're
12 going to focus on the people. So, under the fire
13 code, transient lodgings have to have a diagram on
14 the back of the door. Do you advise your hosts to
15 add such postings to the back of the door?

16 DAVID HANTMAN: So, there are questions
17 about whether the code should apply or does apply,
18 but we do in fact offer smoke detectors, carbon
19 monoxide detectors and egress information, and advise
20 them and ask them to post it.

21 CHAIRPERSON WILLIAMS: Do you advise your
22 hosts to add such postings to the back of the door?

23 DAVID HANTMAN: I'm not sure if it's the
24 back of the door. I mean, what we advise them to do
25 is walk the tenants, the guests through how to get

1 out, and it's listed on there including where the
2 closest hospital is, you know, whether--

3
4 CHAIRPERSON WILLIAMS: [interposing] Do
5 you advise them to post it anywhere in the apartment?

6 DAVID HANTMAN: I believe we do, but I can
7 get back to you on that.

8 CHAIRPERSON WILLIAMS: Is there any way
9 you can get back before the end of the hearing?

10 DAVID HANTMAN: I assume when I step down
11 I can go find out.

12 CHAIRPERSON WILLIAMS: You mentioned one
13 million dollars in guarantee, I assume that's
14 insurance. What does that cover?

15 DAVID HANTMAN: So it's two separate
16 things. For a long time now we've issues essentially
17 a host guarantee which covers damage in the homes.
18 So, if someone spills coffee on your couch, or you
19 know, does anything basically that impacts your
20 things. We've heard for a long time that there was a
21 separate concern about liability insurance. You
22 know, what happens if a guest or a neighbor is
23 negatively impacted by the activity, if for some
24 reason there were to be a fire or a slip and fall in
25 the hallway? We heard from both landlords and

1 neighbors that they were concerned about that. It
2 was difficult to get insurance for a long time,
3 because the insurance companies just didn't have any
4 data. They just didn't know what this activity would
5 mean. Over the course, over the last few years, as
6 we built of millions and millions of stays around the
7 world, and it's clear that these kind of things just
8 don't tend to happen. We did now recently contract
9 with an insurance company to offer that product as
10 well. So, two separate things, one that covers
11 inside damage just for the host, and the second
12 covers liability.

14 CHAIRPERSON WILLIAMS: Alright. I'm
15 going to go to some of my colleagues. But I just
16 want to ask this question again, but a little bit
17 more comprehensive, I guess. Do you do anything to
18 make sure that what's being offered is complying with
19 federal, state and city governing laws?

20 DAVID HANTMAN: So we do a number of
21 things. First, we especially, you know, and we've
22 increased this over time, we educate our hosts about
23 what the law is. If you try and list in New York you
24 will get a pop-up that says, "Beware, there are laws
25 that govern short term rentals. Your lease may govern

1 it. There are tax laws. There are fire codes.
2 Here's where you can find them, and please certify to
3 us that you are obeying those laws and you're obeying
4 your lease." Separately, again, you know, we're
5 doing that in a lot of cities now, and I don't think
6 we did enough of it in the past. It's hard for us as
7 a platform, both when lawyers get involved and just
8 generally as an internet platform to really advise
9 people on the law. Again, Nigel Warren, if we had
10 advised him on the law would have probably sued us
11 for being wrong, even though we were right. I think
12 it's very difficult to ask us to interpret these
13 laws. We can provide a lot more information about
14 those laws which we've done. We feel strongly about
15 that.

17 CHAIRPERSON WILLIAMS: So it sounds like
18 the enforcement that you do for the laws, I guess--in
19 that listing that you pop-up, is multiple dwelling
20 laws in there also?

21 DAVID HANTMAN: Yes, a link to them.

22 CHAIRPERSON WILLIAMS: The enforcement
23 that you do is a self-certification that they are
24 obeying all the laws?

25 DAVID HANTMAN: Yes.

2 CHAIRPERSON WILLIAMS: Thank you. Council
3 Member Rosenthal?

4 COUNCIL MEMBER ROSENTHAL: Thank you,
5 Chair Williams. I really--I'm going to try not to get
6 back to your questions, but you covered most of mine.
7 So, I really, really appreciate it. Gentleman, I
8 appreciate your testimony today. I want to start by
9 cutting to the chase, okay? Mr. Hantman,
10 representing Airbnb and given what you've said about
11 not liking the illegal operators participating in
12 your platform, your website, given that and given the
13 fact that you want to run a really good safe, legal
14 service, would you be willing to, using the database
15 that you have, you know who's renting, how often, the
16 amount, whatever, would you be willing to only allow
17 hosts to rent one time a year?

18 DAVID HANTMAN: I'm not--

19 COUNCIL MEMBER ROSENTHAL: Right? Because
20 that was the situation that you talked about. You
21 said, look, you know, I'm going to go away on
22 vacation for four days. It's one time a year. I'm
23 wondering if that's the model you think you're
24 offering, whether or not you would be willing to
25 require that?

2 DAVID HANTMAN: So, it's an interesting
3 question. We get that kind of question a lot,
4 whether there should be a cap on the number of days
5 you can do this, or--

6 COUNCIL MEMBER ROSENTHAL: [interposing]
7 No, no, not a cap.

8 DAVID HANTMAN: whether we should cap it,
9 whether--

10 COUNCIL MEMBER ROSENTHAL: [interposing]
11 One time.

12 DAVID HANTMAN: I understand. I
13 understand. So I'm using that as one example. We
14 believe very strongly that you should be allowed to
15 rent your own home whenever you want, and we believe
16 the data shows that if it's your own home, if it's
17 your primary residence, you tend to do it for only a
18 few weeks a year at most, because you live there most
19 of the time, right? So, it's pretty--it's very clear
20 actually from surveys and our data that when you have
21 only one listing, when it's your primary residence,
22 you know, there's very small number like one percent
23 rented for more than, you know, a few months because
24 they go away like I did when I--I went to law school
25 here in New York. I left for the summer each time.

1
2 I didn't do a permanent sublet because I wanted to
3 come back every few weeks. So, I let friends and
4 family stay there when I wasn't there.

5 COUNCIL MEMBER ROSENTHAL: Friends and
6 family, not people who you were sharing--

7 DAVID HANTMAN: [interposing] That's
8 right.

9 COUNCIL MEMBER ROSENTHAL: But friends
10 and family who--

11 DAVID HANTMAN: [interposing] Some of
12 them, you know, gave me wine or dinner. Others I let
13 stay there, and that happens all the time, and
14 millions--

15 COUNCIL MEMBER ROSENTHAL: [interposing]
16 And do know how well they treated your neighbors?

17 DAVID HANTMAN: They--

18 COUNCIL MEMBER ROSENTHAL: [interposing]
19 Your friends and family I bet treated them very well.

20 DAVID HANTMAN: You will find--

21 COUNCIL MEMBER ROSENTHAL: [interposing]
22 Right? Because you are the primary person living
23 there. So your friends and family are going to look
24 out for you. You know, I'm really concerned. You
25 seem to have a lot of lawyers, a lot of depth when it

1
2 comes to the person who's renting legally or
3 illegally, but you don't have any depth for their
4 neighbors, or do you?

5 DAVID HANTMAN: So, we do. So, first of
6 all, I would say we have a neighborhood call-in line.
7 So if there's a complaint from a neighbor about short
8 term rentals, they can call us--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 When did that call-in line start up? Was that before
11 or after the Attorney General required you to do it?

12 DAVID HANTMAN: I don't think the
13 Attorney General required us to do it, but I don't
14 know when it started. So I'm not sure what that
15 means. We've had that--

16 COUNCIL MEMBER ROSENTHAL: [interposing]
17 Can you get back to me on that one.

18 DAVID HANTMAN: We have that for instance
19 in Portland as well.

20 COUNCIL MEMBER ROSENTHAL: Because of
21 course the whole reason that you know anything about
22 the people who rent on your website is because the
23 Attorney General of New York required that you go
24 through your database. You weren't willing to give
25 that up to prove your point, right?

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DAVID HANTMAN: No.

COUNCIL MEMBER ROSENTHAL: I mean, if you really believed in the statements you're making, I mean, we can say anything. I can say 16,000 illegal rentals. You can say two illegal rentals. We know nothing unless we look at the data, which is your proprietary information that you're not willing to give up, right? Because it's proprietary; you're a business.

DAVID HANTMAN: We were not willing to comply with an overbroad subpoena that got turned down but got overturned by a judge, that's correct. On the other hand, we did quickly provide anonymous data to the Attorney General so he could issue this report. He could look at the nature--

COUNCIL MEMBER ROSENTHAL: [interposing]
Would you be willing to provide that data freely and publicly?

DAVID HANTMAN: Would that further a discussion that actually protects our hosting community, or would further a tax on our hosting community?

COUNCIL MEMBER ROSENTHAL: Sir--

1 DAVID HANTMAN: [interposing] I think this
2
3 is all a give and take--

4 COUNCIL MEMBER ROSENTHAL: [interposing]
5 Sir, my concern is about all New Yorkers. Your
6 concern is about your revenue. So let's just--

7 DAVID HANTMAN: [interposing] That's not
8 true.

9 COUNCIL MEMBER ROSENTHAL: be clear about
10 that.

11 DAVID HANTMAN: Let's be clear that
12 that's not true.

13 COUNCIL MEMBER ROSENTHAL: Okay? I
14 represent--

15 [applause]

16 CHAIRPERSON WILLIAMS: [interposing]
17 Please.

18 DAVID HANTMAN: Our concern is for--

19 COUNCIL MEMBER ROSENTHAL: [interposing]
20 Your concern is about your business model and margin
21 sure that your business model takes off regardless of
22 whether or not you're breaking rules and laws in one
23 particular city. Yes, it's very big and vast, your
24 website and the work that you do and you can't be
25 bothered to consider the laws of one particular

1
2 little state or community. I happen to represent
3 that little state or community, and what's happening
4 in my district because last night, of course, I went
5 through all the rentals Airbnb for the Upper West
6 Side of Manhattan. I saw none that were a shared
7 rental. All of them, and I went onto about 20, right,
8 certainly not representative, but the 20 that I
9 rented--that I went to look at allowed me to rent
10 this weekend, next weekend or the weekend after for
11 just a couple of days, and it was for the entire
12 apartment. So obviously, the person wasn't staying
13 there. It wasn't a shared rental. Now that's just
14 one of our tiny little laws here in New York State.
15 It's here to protect all New Yorkers. So, without
16 your willingness to provide the data, I'm skeptical
17 to draw any conclusion, except for the one that I
18 experienced.

19 DAVID HANTMAN: Is that a question?

20 COUNCIL MEMBER ROSENTHAL: Yes, it is,
21 sir.

22 DAVID HANTMAN: Okay, while I'll answer
23 it. I'm not sure what it was, but I'll answer it as
24 best I can.

1
2 COUNCIL MEMBER ROSENTHAL: The question
3 is would you be willing to provide free and clear
4 your data so we can make sure that individuals like
5 Mr. Thomas can go about doing his business, which is
6 legal, right, and make sure that the other ones which
7 are not legal do not register as a host?

8 DAVID HANTMAN: So, I appreciate the
9 question and I appreciate your concern for the people
10 of New York, and I certainly don't question it. I
11 think here again it shows that we're talking past
12 each other. The question I would--

13 COUNCIL MEMBER ROSENTHAL: [interposing]
14 Would you be willing--let me ask you this question.
15 I'm sorry, go ahead. Sorry, go ahead.

16 DAVID HANTMAN: So, I think we're talking
17 past each other, because all we're saying is look at
18 the host who are doing this once in a while in their
19 own homes--

20 COUNCIL MEMBER ROSENTHAL: [interposing]
21 How many are? Can you give me the data?

22 DAVID HANTMAN: Is it okay for them to do
23 it?

24 COUNCIL MEMBER ROSENTHAL: I just want to
25 see the data.

2 DAVID HANTMAN: No one will answer
3 whether it's okay.

4 COUNCIL MEMBER ROSENTHAL: It could be all
5 anonymous, no addresses, I just want to know. We can
6 do like a mode analysis. How many is one person
7 renting their own private home, just a mode analysis,
8 right? So just the end, the number that rent their
9 own private home one time of the total, right? How
10 many are renting two times of the total? I don't
11 need addresses.

12 DAVID HANTMAN: So, I'm not sure why we
13 keep getting into the question about data. The
14 Attorney General released a long report. I think the
15 question is, is it okay for people to rent their own
16 home once in a while. It sounds like maybe not.

17 COUNCIL MEMBER ROSENTHAL: Sir, if there-

18 -

19 DAVID HANTMAN: [interposing] Sounds like
20 you don't think so.

21 COUNCIL MEMBER ROSENTHAL: If they're
22 renting their own home, how do you--let me ask you
23 how you feel about this. They're renting their own
24 home. It's illegal for them to do so. If they got
25

1 caught renting out illegally they could lose their
2 lease. Do you care about those people?

3
4 DAVID HANTMAN: Of course we care about
5 those people. Look, our founders founded this
6 company--

7 COUNCIL MEMBER ROSENTHAL: [interposing]
8 And what I want to identify is how many are those
9 people? Because I want to protect them. Our laws are
10 there to protect them.

11 DAVID HANTMAN: By making it illegal for
12 them to do what they need to do to pay the rent.

13 COUNCIL MEMBER ROSENTHAL: NO, no, sir.
14 Their lease, when you sign a lease, when you buy your
15 home--I live in a condo. It says that I can't, you
16 know, do a short term rental and make money off of
17 it. That's in my lease or in my ownership document,
18 and you know, that's something. I mean, you take it--
19 you got a host of sophisticated lawyers at your beck
20 and call. Can you get them to make sure that all the
21 rentals that are listed are renting legally, right?
22 To protect your host, or secondly that your host
23 maybe get a simple letter of permission from their
24 building that they can rent, so we don't have victims
25 like Audrey and Anne Cunningham who testified earlier

1 about their neighbors renting repeatedly and causing
2 damage and havoc to the building, right? Which is
3 not in your purview. Your job is to make sure
4 there's quality control for the apartment.
5

6 DAVID HANTMAN: So there's a lot in there.
7 If I can answer, I'll go as quickly as I can.
8 Starting at your last question about the two people
9 we saw here who obviously are suffering from truly
10 illegal hotels.

11 COUNCIL MEMBER ROSENTHAL: Did you catch
12 their address, and would you be willing to take those
13 addresses off your website?

14 DAVID HANTMAN: I would be very surprised
15 if what they're talking about is on our website, but
16 I'd be happy to talk to them about it. Because that
17 is not--

18 COUNCIL MEMBER ROSENTHAL: [interposing]
19 No, what I asked, not talk about it, take them off
20 because there are illegal things going on.

21 DAVID HANTMAN: I don't--have no idea what
22 the facts are so I think it would be important to
23 actually learn the facts--

24 COUNCIL MEMBER ROSENTHAL: [interposing]
25 If I give you the two addresses, would you be willing

1 during this hearing just to check, a quick check to
2 see if they're listed on your website?
3

4 DAVID HANTMAN: I can't give you
5 assurances during this hearing. I'd be happy to--

6 COUNCIL MEMBER ROSENTHAL: [interposing]
7 that's okay, I'll get them for you.

8 DAVID HANTMAN: Be happy to look at it.

9 COUNCIL MEMBER ROSENTHAL: Great.

10 DAVID HANTMAN: I think more importantly
11 though, what they've described is the kind of
12 activity that we don't support, that what they've
13 described is people who are actually turning fulltime
14 housing into short term housing, multiple units, 365
15 days a year, basically making a hotel out of a
16 building. Unscrupulous landlords have always
17 existed, they'll always exist. This is the kind of
18 thing they do, and that's not what we're talking
19 about. What we're talking about is if--

20 COUNCIL MEMBER ROSENTHAL: [interposing]
21 How do we know--okay, go ahead.

22 DAVID HANTMAN: Well, I just--I mean, we
23 just have a lot of experience at this point. I think
24 it's important to understand how the site works.
25 Again, illegal hotels generally are a big issue, but

1 the way the site works, people rate each other. If
2 you're in your own home, which about 90 percent of
3 the people in New York are, you spend a lot of time
4 picking the guest. You don't have to book a guest.
5 Someone says they want to stay with you. You then
6 look at who they are, whether they have a rating
7 system, you can do a search on them on Google as
8 people have done to me in the past just make sure I
9 am who I say I am, and then you choose a good person
10 to come visit, and that's why these things don't
11 happen. That's why there isn't a lot of noise,
12 smoke, people dragging things through the building or
13 safety issues. We've had more than two million
14 people stay in New York. You don't hear about that
15 kind of thing. And so I think that's different than
16 what we have seen with truly illegal hotels. Someone
17 with 100 listings, is just churning large amounts of
18 apartments, is not providing the local experience or
19 the personal connection, is not there to exchange the
20 key or explain the rules of the building, and doesn't
21 maybe care whether the person is noisy or have a
22 party. Those are the kinds of people we've been
23 removing from our site because they are bad for us,
24 they're bad for the rest of our community and they're

1 bad for New York, but that is very different. We
2 can't lump those in with the people who do this for a
3 few weeks a year. It's just not the same thing. We
4 keep talking as if it is, but this is as far apart of
5 the same thing as you could be. They're not hotels,
6 people who do this for three weeks, and they're not
7 these property groups. Very different. That's all
8 we're trying to defend here, people who can't stand
9 here and defend themselves. Maybe they can't stay
10 for five hours for a hearing. Maybe they're doing
11 their job right now. They're just trying to pay the
12 bills and there is no voice for them right now. They
13 keep getting lumped in with this attack on illegal
14 hotels, which has been going on for years and will go
15 on for years and is a valid fight.

17 COUNCIL MEMBER ROSENTHAL: I mean, that's
18 disingenuous. You know, you just brought that up
19 yourself. I was very clear that Mr. Thomas's rental
20 is legal. So--

21 DAVID HANTMAN: [interposing] You're
22 talking--but he's in a--because he's in a two unit
23 rental. What about the people who are in a large
24 building?

2 CHAIRPERSON WILLIAMS: Council Member,
3 we're going to have to move onto the next Council
4 Member.

5 COUNCIL MEMBER ROSENTHAL: Alright.

6 CHAIRPERSON WILLIAMS: Thank you.

7 COUNCIL MEMBER ROSENTHAL: Yeah, no
8 problem. I'd like to come back in a second round. I
9 really appreciate it.

10 CHAIRPERSON WILLIAMS: We did have those
11 addresses and we found out that they're--the tenants
12 gave their addresses as they testified, so it is
13 public. Would you like to take the addresses and
14 find out if they're being advertised on your site?

15 DAVID HANTMAN: I'd be happy to take them
16 and have a conversation about it. I doubt I can get
17 that done during this hearing.

18 CHAIRPERSON WILLIAMS: I see. There's no
19 way to check your website? Someone can check your
20 website right now?

21 DAVID HANTMAN: I just--I mean--

22 CHAIRPERSON WILLIAMS: I'll find, see if
23 one of our staff can do it. Council Member Cornegy?

24

25

2 COUNCIL MEMBER CORNEGY: Thank you, Chair
3 Williams. I have a couple of basic questions. Mr.
4 Hartman?

5 DAVID HANTMAN: Hantman, yes.

6 COUNCIL MEMBER CORNEGY: I'm sorry. I just
7 wanted to know, can you recite for me the mission and
8 vision statement for Airbnb?

9 DAVID HANTMAN: I may get fired for
10 saying this, but no. We are, you know, we want
11 everyone to be able to belong anywhere. We want
12 people to travel the world and live like a local, as
13 if they're in their own home. That's what we provide
14 that hotels don't provide. It's a different kind of
15 experience. That's why people who come here stay in
16 all of the boroughs in kitchen's and neighborhoods
17 and walk-ups. They get shown around by their host
18 either before or during the rental. It's a very
19 different experience.

20 COUNCIL MEMBER CORNEGY: So that leads me
21 to my next question. I understand that Airbnb, and
22 again, let me just give context, I'm the Chair of
23 Small Business for the New York City Council, and I
24 understands that Airbnb encourages the host to create
25 neighborhood guides. Can you describe what those

1
2 guides are like and how they impact local businesses
3 in and around your host?

4 DAVID HANTMAN: Sure, yeah. It's a very
5 good question. Like I said, many people who stay on
6 Airbnb, in fact most, do so to stay in neighborhoods
7 that agent's served by hotels to experience cities as
8 people who live in those cities do. And what that
9 means is so much money goes to the local businesses.
10 If you can imagine, when you stay down in midtown
11 Manhattan, you're not spending money in Harlem or
12 Queens. You're spending money in midtown Manhattan
13 or Brooklyn. That's why I think you'll see thousands
14 of local businesses that signed up in support of us,
15 because they know that benefit. They see the guests
16 who come in and spend money at the dry cleaner and
17 the local deli, and what our hosts do acting as true
18 hosts, as sort of ambassadors of their neighborhood
19 and their city, because they love the city, and
20 that's--they're bringing people in to show it off.
21 They say, you know, you should go try that local
22 deli, they have really great pastrami. You should go
23 try the hot dog down the street. Don't go in that
24 alley-way, etcetera. And so they really do take it

1 upon themselves to provide that kind of experience to
2 the guests.

3
4 CHAIRPERSON WILLIAMS: Thought you were
5 raising up. Are you finished with questions?

6 COUNCIL MEMBER CORNEGY: Yes.

7 CHAIRPERSON WILLIAMS: Thank you, Council
8 Member Cornegy. So, in interest of trying to I guess
9 be collaborative in dealing with the main problems
10 that we have while not affecting people like Mr.
11 Thomas or people who have--who renting their
12 apartments only for vacation purposes. According to
13 the AG's report, six percent of the users on Airbnb
14 accounted for 37 percent of the revenue, or 168
15 million dollars. These hosts rented anywhere from
16 three to 272 units on Airbnb. So that six percent
17 are not the folks that we are, I guess, commonly
18 trying to protect. Would you be willing to share
19 that data with us so that we can promulgate rules to
20 try to deal with those six percent?

21 DAVID HANTMAN: So, we'd be happy to talk
22 about it. I think that data is pretty out there and
23 those people are not on our site anymore. We
24 removed--I think they're all gone, and we removed
25 well beyond just that list of people. Again, there's

1 no question we were not paying enough attention to
2 the kind of quality experience some of the hosts on
3 our site were providing.

4
5 CHAIRPERSON WILLIAMS: Can I just say
6 something? It's like grating on a board. Every time
7 I hear you say quality experience, but never mention
8 legality, and so that's a little frustrating. Why
9 are you not paying any attention to legality of the
10 thing that your business model is based on?

11 DAVID HANTMAN: So, again, I think it's
12 equally frustrating for us when the people who passed
13 the law in 2010 said it would not be applied to
14 people renting out their home once in a while and--

15 CHAIRPERSON WILLIAMS: I got it. Let me
16 just say something.

17 DAVID HANTMAN: So it's--

18 CHAIRPERSON WILLIAMS: I understand if you
19 believe that the law is wrong. I do not understand
20 why you're not doing anything to find out whether
21 people are following the law.

22 DAVID HANTMAN: We ask people to obey the
23 law as we do in every city around the world. We
24 inform them of the law.

2 CHAIRPERSON WILLIAMS: You do a lot of
3 research, sir, and you've mentioned the research you
4 do, and you keep mentioning quality, and you never
5 once mentioned following the law. That is amazing to
6 me. Whether you think the law is right or wrong. I
7 am always one for a good protest. So I'm down to
8 protest laws that I think are wrong. I 'm sure you
9 have lobbyist that can try to change the law, but I
10 cannot understand as a business person who runs a
11 corporation how you can sit there and never mention
12 violations of city, state and federal law. You have
13 to see how that comes off to people like us. It
14 doesn't seem like you are really want to focus on the
15 legality issue. Your only focus is on the quality of
16 experience, which goes back to what my colleague said
17 that the focus may be on the money and not on the
18 impact that the business model is having in the city
19 of New York.

20 DAVID HANTMAN: Again, all I can say is
21 that represents a distortion of what's really going
22 on, and I'm sorry to say that.

23 CHAIRPERSON WILLIAMS: I'm not distorting
24 it. I'm repeating what you're saying. I just want to
25 be clear. I'm not distorting anything.

2 DAVID HANTMAN: I think saying that we're
3 here to make money, I mean, 90 percent of this money
4 goes to the host and their communities, right? Seven
5 hundred and 68 million dollars came into New York
6 City in one year just because of the activity of
7 these hosts.

8 CHAIRPERSON WILLIAMS: I should say the
9 focus is on some people making money. It's going to
10 be you and it's going to be the host. I don't mind
11 that. I want to make sure that people are following
12 the law, and if you can make money that's just fine.
13 If the law is broken, then we need to fix it, but
14 what I'm saying, and I want to be clear on it because
15 I'm not distorting, your primary focus in your
16 testimony has been about quality of stay. You have
17 not mentioned legality and/or even admitted that you
18 do not even research whether or not the hosts are
19 following the law. That's incredible to me. You
20 just have to--you have to--I don't know if you'd
21 admit it or not, but if you were sitting here and I
22 was giving that testimony, it would be incredible to
23 you too.

24 DAVID HANTMAN: I understand. And I
25 should clarify by the way when I talk about quality,

1
2 it's not just quality of experience to our guests,
3 its quality to the neighborhood as well.

4 CHAIRPERSON WILLIAMS: Sure.

5 DAVID HANTMAN: So what I was saying
6 about these larger property groups that we've
7 removed, they were not providing that quality
8 experience. They were providing the kind that, you
9 know, when we looked into it which we had not done
10 enough before, they were, you know, more noise
11 complaints, more, you know--I won't say quality.

12 CHAIRPERSON WILLIAMS: I got you.

13 DAVID HANTMAN: You know, it was an issue
14 for neighborhoods and--

15 CHAIRPERSON WILLIAMS: [interposing] You
16 still haven't mentioned the multiple dwelling laws at
17 all. Also, I just want to be clear, do you do any
18 research to find out whether hosts are following fire
19 code?

20 DAVID HANTMAN: So, I think we've
21 discussed, and I'm not--I don't have every answer
22 here, so sometimes I'll just say I don't know. We've
23 discussed fire code issues and how we can make
24 apartments safer. I think there is this debate about
25 whether an individual apartment being rented once in

1
2 a while is more similar to just having your family
3 and friends over or more similar to a hotel. We
4 focused a lot on that. We obviously believe that if
5 you're doing this once and a while with your family
6 or with Airbnb guests, it should be treated
7 similarly. There are people who have suggested if
8 one apartment and one building is rented out for four
9 days or two weeks a year, then the entire building
10 has to be up to a hotel code with central sprinklers
11 and security and two means of egress. We don't think
12 that makes sense. We have on the other hand, worked
13 very hard to try and make each listing as safe as it
14 can be, as we discussed today with, you know,
15 providing smoke detectors, carbon monoxide detectors,
16 the egress maps, descriptions of how to do other
17 things to make it as safe as possible.

18 CHAIRPERSON WILLIAMS: Aside from the
19 ones that you believe are people renting to friends
20 and family, have you done any research to find out
21 whether people are following or enforcing the fire
22 codes?

23 DAVID HANTMAN: I don't know. I'd have to
24 get back to you on that.

1
2 CHAIRPERSON WILLIAMS: But you do
3 understand the theme here of what it sounds like
4 you're testifying to? So, I came into this hearing,
5 I didn't make too many public remarks. I didn't do
6 much. I actually came in to try to fully understand
7 where we were and what was happening, and I'm just
8 amazed at how bad it really seems what you're doing
9 and the impact it could be having on this city, and
10 it's just--it's very troubling. If you had come in
11 to discuss how you're trying to make sure that
12 multiple dwelling laws aren't violated, fire codes
13 are violated, things of that nature, it would make me
14 feel a little bit better, but maybe this is a company
15 that's actually trying to just make some money, but
16 realizing the impact that they could have. None of
17 that is happening. I'm sitting here, I don't know
18 what the word is, and you're hiding under the guise
19 of people who are probably doing it legally to begin
20 with, and we want to focus on the people who aren't
21 and should be following those codes. So I don't want
22 to pretend that we up here are against Mr. Thomas. I
23 actually have a lot of sympathy for even B & B's.
24 most of them are one and two families, but even the
25 three and four families, I think we have to fix the

1 law there, but the vast majority of what we're
2 talking about is not them, and I understand that's
3 the guise that you want to set, but that's not what
4 we're focusing on. And you really should pay more
5 attention to the laws in the city that you're setting
6 up your business in.

8 KENNETH BURRIS: Can I--can I say
9 something, please?

10 CHAIRPERSON WILLIAMS: Sure.

11 KENNETH BURRIS: To give a broad brush
12 that, you know, Airbnb isn't doing anything in the
13 fire safety arena isn't exactly accurate. We help
14 them help their hosts develop, you know, proper
15 planning, preparedness guides, those type of things.
16 We talk fire code issues. Fire code is the
17 responsibility of the building owner to adhere to,
18 not the occupants of the building. The occupants
19 have some responsibility and we try to work very
20 diligently, you know, the past--and even the fire
21 services, working with the Red Cross to do programs
22 on fire safety here in the city to ensure that
23 residents understand that. So, I do think there are
24 efforts. I know there are efforts under way to
25 address fire safety.

1
2 CHAIRPERSON WILLIAMS: You actually
3 mentioned the Home Fire Safety Campaign. Can you
4 explain a little bit about that?

5 KENNETH BURRIS: That's a program that
6 helps homeowners or just residents, residential
7 occupancies understand the risks that they face in
8 their environment, evacuation plans, the importance
9 of smoke detectors, carbon monoxide protectors, the
10 importance of proper use of space heating and issues
11 that go along with residential fire safety.

12 CHAIRPERSON WILLIAMS: Thank you. And I
13 understand that you would say that the host or the
14 building owners are responsible for that. I guess you
15 can say the same with the multiple dwelling law.
16 What I am saying is that if you want to be a
17 responsible corporation, you should at least be
18 finding out whether the people on your site, which is
19 the core of your business model, are actually
20 following those laws and following those codes, and
21 the fact that you're not doing that admittedly by the
22 own testimony is a problem. So was I able to clarify
23 a little bit what I'm saying? Thank you. If a co-op
24 board asks Airbnb to remove listings in their
25 building, would you comply with that request?

2 DAVID HANTMAN: We just can't as a
3 platform get involved in contractual disputes between
4 people like that. We can't figure out who's right,
5 who's wrong, what the lease or co-op board says. We
6 have to rely at some point on the host to understand
7 their rules and abide by those rules. That's what we
8 ask them to do.

9 CHAIRPERSON WILLIAMS: So it seems that
10 anything that would make you responsible, you can't
11 get involved in. It's all on the host.

12 DAVID HANTMAN: We can do a lot, and we do
13 a lot to try and make the experience better for the
14 community, to make it safer for the host, the guest
15 and the neighborhood, as we've discussed. We can do
16 a lot as a platform, and there are things we simply
17 cannot do. I think if you can imagine, we're in
18 34,000 cities. We have a million listings. We've
19 had 26 million people stay. To try and start being
20 the arbiter as an internet platform of contractual
21 disputes between individuals who use our platform is
22 simply not--it's not logistically possible. It
23 wouldn't be possible for any platform and is not for
24 us.

2 CHAIRPERSON WILLIAMS: So if I was an
3 advertiser, I should say, "Airbnb, we focus on
4 experience, not legality." That would probably sum
5 it up. Council Member Levine, do you have questions?

6 COUNCIL MEMBER LEVINE: Well, first I just
7 want to say that I'm more and more grateful for the
8 leadership of Attorney General Schneiderman for
9 shining light on this issue, because I think many of
10 the recent concessions that you offered would not
11 have come about if it weren't for that pressure.
12 How--what is the staff of your enforcement unit, and
13 how many people do you have working in that unit
14 worldwide?

15 DAVID HANTMAN: What--I'm not sure what
16 enforcement you mean?

17 COUNCIL MEMBER LEVINE: Your
18 investigators.

19 DAVID HANTMAN: I'm not sure what that
20 means either. We have a trust and safety team.

21 COUNCIL MEMBER LEVINE: What's the
22 staffing level of the trust and safety?

23 DAVID HANTMAN: We're growing, so I'm not
24 sure. I think it's certainly dozens and probably at
25 this point hundreds of people.

2 COUNCIL MEMBER LEVINE: Okay. And that's
3 for--you said you're in 34,000 cities, right? So you
4 have dozens to or maybe more than 100.

5 DAVID HANTMAN: I'd have to get back to
6 you. I just don't know the answer actually.

7 COUNCIL MEMBER LEVINE: So if I'm doing
8 the math, that means each staff member has, I don't
9 know, 25 to 50 or more cities to cover, right? So
10 we're getting a little piece of it from here in New
11 York City, is that correct?

12 DAVID HANTMAN: I'm not sure that's the
13 right way of looking at it, because it's really
14 obviously when things go off without a hitch and the
15 hosts and guests and neighbors and cities are happy,
16 there's no need for that trust and safety team to
17 engage, much like the city was here before talking
18 about the complaint based system. So we have a
19 number of people required to go and investigate. You
20 know, its simple things like someone said, a guest
21 stole my broach when they were here, and I can't find
22 it, I think they took it. Then we investigate. Or
23 someone spilled and they're trying to recover against
24 a million dollar host guarantee. Or someone just
25 wasn't there to exchange a key. I mean, there's a lot

1
2 of different things that our customer service and
3 trust and safety teams do, but it's--there are,
4 again, it's not that there are never issues, but
5 there are so few of them compared to the number of
6 people who travel, that it doesn't--it wouldn't be
7 right to say it one per 30 countries, it's really how
8 many incidents.

9 COUNCIL MEMBER LEVINE: Well, the lack of
10 proactive enforcement by our own city agency is a
11 problem that we focused on this morning. This is a
12 problem which is not inherently well suited to a
13 reactive form of enforcement. If you lose a unit of
14 affordable housing in New York City, the victim is
15 everybody, and there's not one person who's going to
16 lift up the phone and call 311. Perhaps on quality
17 of life issues, there might be a neighbor who's
18 bothered by the noise, but many of us are here
19 because we have a desperate shortage of affordable
20 housing in New York City, and this is taking precious
21 units out of availability to regular New Yorkers, and
22 it cries out for proactive enforcement, and I think
23 that as a technology company, you're in a position to
24 do that simply using technology by examining key
25 words and listings, by comparing addresses. I think

1
2 you could probably even without expending more staff
3 time, you can identify people who are breaking the
4 law or otherwise doing inappropriate things. Are you
5 currently using any kind of technological screen to
6 weed out bad actors other than what your trust and
7 safety staff is doing?

8 DAVID HANTMAN: I'm not sure what a
9 technological screen would be. We're constantly
10 looking at our site and the quality experience our
11 community is providing, again, both to our community
12 at large and to neighborhoods. If there are issues
13 that come up, like on the neighborhood hotline or if
14 we hear from the city, if we hear from neighbors in
15 another way, we always look at those things. There
16 are very few problems. Those problems have
17 historically been concentrated in a small number of
18 hosts who are off our site. So, that's really where
19 we are.

20 COUNCIL MEMBER LEVINE: Right, well to
21 give you one obvious possibility, I was looking at a
22 listing this morning that said, "limited contact
23 with--limited to no contact with host." Which would
24 imply the host is not there, right? A short term
25

1 rental, the host is not there, that doesn't comply
2 with the city's multidwelling law. So--

3
4 DAVID HANTMAN: [interposing] Depending on
5 the building.

6 COUNCIL MEMBER LEVINE: Fair enough, but
7 couldn't that sort of the flag for you? You could
8 search for key words like that that imply that the
9 host was not going to be present?

10 DAVID HANTMAN: I mean, I'm sure we could
11 technologically try that. It wouldn't be very
12 effective. What we found, first of all, there are
13 people who list both ways. They'll list as a, you
14 know, a fulltime entire apartment or as a shared
15 space and they go back and forth. It would be hard
16 for us to start making that determination, and it's
17 just--it's just not feasible really from a platform
18 standpoint to start making those kinds of screens.

19 COUNCIL MEMBER LEVINE: Right. In a
20 competitive environment where you're competing
21 against other listing services, back page, BRBO,
22 Craig's List, wouldn't it actually level the playing
23 field for you if the law was clear in preventing
24 everybody from listing illegal, unsafe listings?

1
2 DAVID HANTMAN: We're not really--I'm
3 certainly--I'm not the competitive guy and I'm not
4 here to talk about what's competitive or not. I'm
5 here to talk about what the law makes sense and the
6 kinds of things we do, and I can answer every
7 question I know. I think the reason that we do well
8 in New York is because we provide the most
9 transparency and the most safety features, and people
10 gravitate towards our site, but this activity
11 obviously has been going on long before us. I mean
12 the 2010 law was designed and passed, you know, well
13 before we were anything of relevance. And I think if
14 you look at the reason that we're here today and
15 willing to talk is as I said before is that most of
16 our users, the vast majority of them are just renting
17 out their own home and they're not here to speak for
18 themselves. I think a lot of our competitors deal
19 with second and third homes, whether they're bed and
20 breakfast or not and can talk about that.

21 COUNCIL MEMBER LEVINE: Well, the people
22 who are renting out their own home, and if they're
23 there complying with the law, they have no reason to
24 come out to this hearing. That would have been a
25

1 waste of time because they're not being targeted.
2 We're going after a small number of bad actors.

3 DAVID HANTMAN: How small? Sixteen
4 thousand or a couple of hundred? It's hard to tell
5 sometimes.

6 COUNCIL MEMBER LEVINE: Well, if you share
7 your data with us, we'll give you an exact response.
8 We're waiting for that.

9 DAVID HANTMAN: So based on the AG's data,
10 just on that 72 percent--

11 COUNCIL MEMBER LEVINE: [interposing]
12 Sorry, what was that?

13 DAVID HANTMAN: So the Attorney General
14 released a report of a snapshot in time which wasn't
15 entirely accurate, but what I've heard is everybody
16 on that list that the AG said was breaking the law is
17 the target of this discussion. Is that correct?
18 Because there were certainly people on his list who
19 were doing this four days a year.

20 COUNCIL MEMBER LEVINE: I think you've
21 heard clearly that our focus in on those who are
22 abusing the system, who are taking affordable housing
23 and making, putting neighbors in unsafe positions.
24 Look, when the retailer sells a defective product,
25

1 the retailer can be held accountable, right? It's
2 not only the manufacturer. So our position is that
3 it shouldn't only be the host who's held accountable
4 in the case of a company distributing a product. Our
5 enforcement at the city level is exclusively focused
6 on hosts. There's no enforcement at all on the
7 listing services who are enabling these transactions.
8 It seems to me that if we did have enforcement on the
9 listing services, it would be better for everybody,
10 including listing services who would not have to
11 compete against the bottom feeders. Everyone would do
12 the right thing, communities would be safer, but we'd
13 have more accountability.

14
15 DAVID HANTMAN: I appreciate your
16 thoughts, and I think this really goes back to the
17 talking sort of through each other instead of to each
18 other. It would not be better for the thousands of
19 hosts who need this to pay their bills. Those are
20 the people that we're trying to focus on, and what we
21 keep getting is the focus on the bad actors, and so
22 throw out the whole thing at once. Whether you
23 target a platform or not, whether you change the law
24 or not on that, and whether you target illegal hotels
25 and put 100 million dollar fine on people with 20

1 listings, the people who are being left behind are
2 the people who show up here today and the people who
3 can't show up here today because the reason they host
4 is to pay the bills and make ends meet. Those are
5 real people. I was talking on the Upper West Side
6 the other day to a woman who did not believe they
7 existed. She said there is no one who needs to make
8 their ends meet enough to use Airbnb, and if they do,
9 they should just get a better job. That's not the
10 reality of what people face out there. What people
11 face and why they use Airbnb to a large extent is
12 trying to just pay the bill. They have 900 dollars
13 and their rent is 1,000 dollars. They have 1,200
14 dollars and their rent is 1,300. Those are the
15 people we're trying to talk about. We would love to
16 come--look, I'll come here and get beaten up every
17 day for the next year if we can get those people
18 taken care of, because that's what we're focused on
19 here.

20 [applause]

21 COUNCIL MEMBER LEVINE: Speaking of
22 talking past each other, you're defending people who
23 we also support. Our fight is with the people who
24

1
2 are using this inappropriately, illegally and
3 endangering neighborhoods.

4 DAVID HANTMAN: With all due respect,
5 that's--that doesn't seem to be what's being
6 discussed here. I think we can agree we don't support
7 people who have 100 listings. We've taken those
8 people off our site. They shouldn't have been on
9 there, but what we don't seem to be able to agree on
10 is that we all do support people who have one listing
11 or renting out their own home, because when people
12 talk about 16,000 or when I'm asked, you know, are
13 people renting illegally, that gets to what's legal
14 and illegal now as opposed to what should or
15 shouldn't be, or what they were told was going to
16 happen based on the law. That's the problem with
17 these discussions. There's a lot of we want to
18 attack Airbnb because we're popular to attack.
19 What's happening to those hosts? And that's why--I
20 think this is a good discussion, and again, I would
21 love to have it as long as you're willing, I just
22 think it's--every time I hear we support those
23 people, I haven't heard that. I mean, I just haven't
24 heard that you actually do support those people.

1
2 Maybe you do, but I'm not sure that everybody on this
3 dais--

4 COUNCIL MEMBER LEVINE: [interposing]

5 Well, now we're repeating ourselves--

6 CHAIRPERSON WILLIAMS: [interposing]

7 Council Member?

8 COUNCIL MEMBER LEVINE: There's no point
9 in continuing this. I want to give a chance for
10 other Council Members to ask questions. Thank you.

11 CHAIRPERSON WILLIAMS: Thank you, Council
12 Member. Just for clarity, I don't--I agree with my
13 colleague, I'm not sure we're talking past each
14 other. I think you're putting up folks that we agree
15 on on trying to find a way to protect, to mask the
16 fact that there are many people who are using this
17 for illegal purposes and taking units off of the
18 market. That's what we're focused on. This is what
19 it was primarily focused on to get onto the people
20 who are doing it legally, the people who own their
21 homes, the people who are renting it and are living
22 in there and trying to get some additional income.
23 Those are not our focus. Neither is the one to two,
24 even the three to four family B&B's, although we have
25 to talk about them in particular because they're kind

1
2 of in a loophole place. That's not what we're
3 focused on.

4 DAVID HANTMAN: I understand.

5 CHAIRPERSON WILLIAMS: So you keep
6 bringing them back into the conversation.

7 DAVID HANTMAN: Not those, no. I don't.
8 I'm sorry, I want to clarify what I'm saying, because
9 I do now understand what you're saying. There are
10 tens of thousands of people on Airbnb and other sites
11 on Craig's List, using bulletin boards in college
12 dorms who are renting out their own home in apartment
13 buildings once in a while. Those people, some of
14 them may be breaking the law. Some of them may be
15 violating their lease. The question is should the
16 law and should the enforcement agencies of the city
17 and state be brought to bear on somebody who's in
18 their own apartment, in their own home renting out
19 once in a while, and I think when we talk about
20 illegal, when we talk about--

21 CHAIRPERSON WILLIAMS: [interposing] Let
22 me be clear, when they're renting once in a while,
23 are they in their other apartment that they own or
24 are they on vacation?
25

1 DAVID HANTMAN: I'm talking about primary
2 residents. So they're--

3 CHAIRPERSON WILLIAMS: So, where are they
4 when they're renting one in a while?

5 DAVID HANTMAN: They go on work trips.
6 They go on vacation. You know, what we've seen based
7 on the data is more than three-quarters of people who
8 do this in their own home do it for a few weeks a
9 year or less.

10 CHAIRPERSON WILLIAMS: SO you believe that
11 the people who go on vacation are receiving the vast
12 amounts of violations and fines?

13 DAVID HANTMAN: No, I'm simply saying
14 that when we keep debating this illegal and
15 affordable housing issue these are two very different
16 issues. If you're doing this in your own home once
17 in a while because you're on vacation, you're not
18 taking housing off the market. If you're doing--

19 CHAIRPERSON WILLIAMS: [interposing] That
20 is probably true. I agree with that statement.

21 DAVID HANTMAN: Then I will stop talking.

22 CHAIRPERSON WILLIAMS: But we're not
23 focusing on that is what I keep trying to get back
24 to.

2 DAVID HANTMAN: It sounds like we are kind
3 of focusing on that, and every time we--

4 CHAIRPERSON WILLIAMS: [interposing] I
5 gotcha. But--

6 DAVID HANTMAN: [interposing] I'm not
7 here--I'm sorry. I'm just not here to say there's no
8 problem in the short term rental market. I'm not
9 here today illegal hotels are okay.

10 CHAIRPERSON WILLIAMS: But I will say--

11 DAVID HANTMAN: [interposing] I'm here to
12 say this regular people doing this once in a while
13 should be protected.

14 CHAIRPERSON WILLIAMS: It would be easier
15 to have this discussion if your records didn't have
16 to be subpoenaed so that we can all look at the units
17 that are listed together, and then we can say these
18 are the folks that are on vacation, and these are the
19 folks that are violating the law. So would you be
20 able to share whose renting and who's on the site
21 with us so we can look at it together?

22 DAVID HANTMAN: So, even the Attorney
23 General's report acknowledged that 90 percent of
24 those people were listing their--one listing, and
25 we've done surveys to show that that's pretty close

1
2 to whether that's their primary home. So, I think
3 you can get that certainly number was fairly
4 accurate. I mean, it didn't include everything.
5 There's the people who do 30 day plus rentals.

6 CHAIRPERSON WILLIAMS: Would you be
7 willing to share--

8 DAVID HANTMAN: [interposing] base is not
9 included.

10 CHAIRPERSON WILLIAMS: share your data
11 with us here at the council without subpoena looking
12 at the units, who's renting, why they're renting,
13 and--

14 DAVID HANTMAN: [interposing] I'd be happy
15 to come in and talk about what kind of data you're
16 talking about. If you want us to turn over our
17 community, no. If you want us to talk about the
18 nature of our community and how many people do what,
19 I think we'd be happy to come in and consider what
20 your request is.

21 CHAIRPERSON WILLIAMS: Well, we'll be
22 happy to engage in that, and if you have other ideas
23 of how the law could be fixed to cover the people
24 you're talking about, although I don't think we're
25 focused on them, we're also happy to have that

1 discussion. We're going to have four minutes each on
2 the second round for Council Member Rosenthal and
3 Council Member Cornegy.
4

5 COUNCIL MEMBER ROSENTHAL: I felt that.
6 Okay, thanks so much, Chair. You know, and thanks
7 for--I think you're right. We're talking about a
8 grey area of people. The disadvantage we're in is
9 that we don't know how big that grey area is and you
10 do. And you know, when you say I just did a run and
11 I can tell you that most of the people are x or y, I
12 didn't look at that run, that data run, and I think
13 what we're asking for in order to show that you're
14 trying is the data that shows number one, to see if
15 there are multiple rentals in one building, if you
16 could do that for us. And two, how many people rent
17 their own home more than once in a while, however you
18 want to define that. So let's put those people in
19 the grey area, right? And if you're not willing to
20 do a run of that data, I mean, as the Chair said,
21 without a subpoena, how can we not talk past each
22 other?

23 DAVID HANTMAN: I think I would say two
24 things. One is, I'm happy to come in anytime and
25

1
2 talk about what we can and can't do, and I think
3 there's plenty--

4 COUNCIL MEMBER ROSENTHAL: [interposing] I
5 think I've been clear about what it is.

6 DAVID HANTMAN: I think there's--well,
7 there's some complicated issues about how we run the
8 data, but I'm not here to say we're not going to
9 provide the kind of data that gives a picture of our
10 community. I mean, we've talked about a lot of data,
11 and if you need to see some assurances, we could talk
12 about what that means. What I talk about in terms of
13 talking past each other is, regardless of what that
14 data says, what if there's only one person doing this
15 one week a year, should that person be allowed to do
16 it or not. We know there's tens of thousands. So if
17 we prove it to you, does that mean we're just going
18 to be in the same kind of back and forth now, or are
19 we going to do anything about those people?

20 COUNCIL MEMBER ROSENTHAL: [interposing]
21 I can't have the discussion without knowing what
22 we're talking about.

23 DAVID HANTMAN: Really.

24 COUNCIL MEMBER ROSENTHAL: And what I do
25 know about what we're talking about is that I've got

1 people in my district who are putting themselves at
2 risk of being kicked out of their homes because
3 they're renting out their homes illegally, and I'm
4 wondering if your legal person could speak to that
5 point. How many times do you look at when you're
6 investigating the quality of the experience, how many
7 times are you investigating the quality of the
8 neighbor's experience?
9

10 DAVID HANTMAN: I don't think--I'll just--
11 -speaking for you, dealing with trust and safety
12 issues, unless you know the answer to that. This is
13 not our attorney. We have--he's helping us with some
14 safety and security issues. I think that's--I can try
15 and answer that. We spend a lot of time trying to
16 make sure that neighbors have a good experience. We
17 have the neighborhood hotline and look--

18 COUNCIL MEMBER ROSENTHALI [interposing]
19 How many people have called into the neighborhood
20 hotline?

21 DAVID HANTMAN: I don't know. I can--

22 COUNCIL MEMBER ROSENTHAL: [interposing]
23 How many people call in a month?

24 DAVID HANTMAN: I can get you those
25 numbers, but it's very small, because I mean, quite

1
2 frankly there aren't a lot of issues that pop up on
3 our site, because we have a rating system. We have a
4 background--

5 COUNCIL MEMBER ROSENTHAL: [interposing]

6 So, people have to know, a neighbor would have to
7 know that the odd person who's come in next door, who
8 they don't know, who suddenly come in next door, they
9 would have to know it's being rented out to Airbnb
10 and not one of five other platforms. But if for some
11 miraculous reason they found out they could call in
12 and make a complaint, and I'm just asking how many
13 people call in and make that complaint, what's the
14 nature of the complaint, and what's your response?

15 DAVID HANTMAN: I'd be happy to get you
16 those numbers. I can tell you the numbers are small,
17 again, because we don't have these kinds of issues.

18 COUNCIL MEMBER ROSENTHAL: Because how
19 would people know?

20 DAVID HANTMAN: People seem pretty
21 committed to it.

22 COUNCIL MEMBER ROSENTHAL: Neighbors seem
23 pretty committed to unearthing--

24 DAVID HANTMAN:[interposing] But I mean,
25 our name--I think our name--

2 COUNCIL MEMBER ROSENTHAL: [interposing]
3 why the next door neighbor is noisy? They are
4 committed or they're not committed?

5 DAVID HANTMAN: I think the neighbors who
6 think that something next door tend to think that
7 it's our fault these days. I don't think it is, but
8 I think they would call us. They certainly, when
9 they call the city--look, a lot of--there's also
10 obviously nuisance laws and everything else that
11 prevent the noise issues. We found that often those
12 noise issues don't have anything to do with short
13 term rentals at all, they have to do with the college
14 student at home when his parents are away. There's a
15 lot of reason--

16 COUNCIL MEMBER ROSENTHAL: [interposing]
17 So in looking forward, our time is up unfortunately,
18 but I really am looking forward to--I'm available
19 tomorrow. I'm happy to talk about this data analysis
20 any day of the week, and my email address is
21 helen@helenrosenthal.com, and I'm more than happy to
22 set up a meeting with you to go through what data you
23 may or may not be willing to provide to the council.

24 DAVID HANTMAN: And we'd also love to
25 talk about what the law should be as well.

2 COUNCIL MEMBER ROSENTHAL: I don't want
3 any personal information about anyone. I want to know
4 the number of people who are renting out as I said
5 very clearly. I want to know the number of people who
6 are renting out their own home when they're not there
7 more than one time a year. I want to know how many
8 times do they rent, and I want to know if there are
9 multiple rentals in one building, because if we knew
10 that information we would know that we could send in
11 the Fire Department or other, you know, enforcers to
12 make sure that everyone's safe, right? Because I know
13 that's what you want to do.

14 DAVID HANTMAN: So we do of course want to
15 make everyone safe. I would be happy to come in and
16 talk about that, and I would really love it if we
17 could also talk about--I'm not sure. I don't know
18 what that means.

19 COUNCIL MEMBER ROSENTHAL: I'm available.

20 DAVID HANTMAN: I'd also love to talk
21 about after that what the law should be and whether
22 we should protect people who are doing this in their
23 own home. I still feel we're talking past each
24 other. There's a demand for data for compliance and
25

2 for attacking us a company and no concern for the
3 tens of thousands of people--

4 COUNCIL MEMBER ROSENTHAL:[interposing]

5 You're right. If you keep going back to that point,
6 we're going to talk past each other a lot. Thank
7 you.

8 CHAIRPERSON WILLIAMS: And just to
9 reiterate what she ended on, it would be helpful not
10 to talk past each other if you actually were working
11 on figuring out whether it was illegal or not legal
12 and what's on your site, and that would be important
13 as a good actor. When you're having conversation with
14 us, to discuss what your findings are about legality
15 and illegality that helps the conversation go a
16 little bit smoother. Whether or not you believe the
17 law is just or not, it's hard to have that discussion
18 if you're not even focused on that.

19 DAVID HANTMAN: I'm not sure why it's
20 hard to have a discussion about what the law should
21 be and protecting the people who--

22 CHAIRPERSON WILLIAMS: [interposing] But
23 you don't even know who on your listing is violating
24 the law or not.

2 DAVID HANTMAN: Okay, I appreciate the
3 question.

4 CHAIRPERSON WILLIAMS: Well, you don't.
5 You haven't done any research. So how would you know
6 if they're violating the law or not. Council Member
7 Cornegy?

8 COUNCIL MEMBER CORNEGY: So, because I'm
9 very anxious to hear from our B&B's who've waited all
10 afternoon, I'm going to keep my remarks very, very
11 short, and I just have three questions. One is what
12 is Airbnb's annual revenues for this fiscal year
13 2014, and what's your projected revenues for 2015,
14 and who sets the rate for stay of your customers?

15 DAVID HANTMAN: I don't know, nor would I
16 be allowed to say the first answer because we're a
17 private company. I can tell you that the host sets
18 the rate.

19 COUNCIL MEMBER CORNEGY: I'm sorry?

20 DAVID HANTMAN: I can tell you that the
21 ho--you're asking how--when people charge per night.

22 COUNCIL MEMBER CORNEGY: Yeah, who sets
23 the rate?

24 DAVID HANTMAN: The host sets the rate.
25

2 COUNCIL MEMBER CORNEGY: And is there a
3 scale that they're able to operate within, or they
4 can just--

5 DAVID HANTMAN: [interposing] The host
6 sets the rate.

7 COUNCIL MEMBER CORNEGY: any erroneous
8 rate.

9 DAVID HANTMAN: What they want to set.

10 COUNCIL MEMBER CORNEGY: What percentage
11 of that rate goes to Airbnb?

12 DAVID HANTMAN: Six to 12 percent.

13 COUNCIL MEMBER CORNEGY: Okay. And how
14 would--I got to foil your revenues?

15 DAVID HANTMAN: You'd have to talk to our
16 finance people about that. I think that private
17 companies are pretty careful not to talk about the
18 revenue.

19 COUNCIL MEMBER CORNEGY: I respect it. I
20 just--no problem. I respect it. Thank you.

21 CHAIRPERSON WILLIAMS: Thank you. Just a
22 few more questions. Thank you for staying and your
23 patience. I know it's probably not easy. But is there
24 anything that lets people know even if they are the
25 once in a while folks or not that they might be

1
2 violating their lease and they could get evicted if
3 they are renting for a short term rental?

4 DAVID HANTMAN: Sure. So, we--look,
5 obviously hopefully everyone knows what their lease
6 says about subletting, but we certainly put on the
7 pop-up when you try and list in New York, you should
8 be aware that many leases have provisions about short
9 term rentals or sublets. You should look at the lease
10 before you rent just as you should look at the law.

11 CHAIRPERSON WILLIAMS: You mentioned the
12 trust and safety team, I think you have. How does
13 one get on that? What are the qualifications?

14 DAVID HANTMAN: I don't know the answer to
15 that. I can get back to you on it.

16 CHAIRPERSON WILLIAMS: Does anyone know
17 the answer?

18 DAVID HANTMAN: I would know the--I
19 wouldn't know the qualifications of really anyone who
20 we hire, though, but I can get you answer.

21 CHAIRPERSON WILLIAMS: And also, it's
22 very hard to get--you said that we can get
23 information from your website. It is hard to do that
24 because it masks the address until you're actually
25 committing to purchase. So it'd be very difficult

1 for anyone to independently get information, which is
2 why it's helpful if you would share that information.
3 And again, it's hard to--I'm not sure--what you're
4 trying to bring us back to are the once in a while
5 folks, but it's hard for you to know the once in a
6 while folks if you yourself don't' even do the
7 research about legality on your own site. So, I
8 don't know how you--

10 DAVID HANTMAN:[interposing] That's
11 exactly where we disagree.

12 CHAIRPERSON WILLIAMS: Okay, so help me
13 understand.

14 DAVID HANTMAN: So, we can know how often
15 you do this. We don't know what kind of building
16 you're in, and therefore, we don't know whether it's
17 legal or illegal, but we can--we know, obviously,
18 when you book on our site how long you've done it.
19 We haven't done the research into what building
20 you're in. We don't go visit it. We don't look at
21 the record. We couldn't do that in 34,000 cities.
22 So, I think that's exactly where we talk a little bit
23 against each other, is just we can know a lot of
24 things because of the nature of what people do, and
25 we can't know others; we don't know others.

2 CHAIRPERSON WILLIAMS: I would say from a
3 13 billion dollar business, I think some of that can
4 be carved out to do more research on the legality
5 side, and I hope that you do that, and I hope as we--
6 I'm happy to engage in these conversations, but
7 that's a critical point. But I don't--my colleagues
8 have more questions, or they have more questions, but
9 I think we should let you go right now. It's a
10 better way to put it. Thank you very much. Oh, wait,
11 I have one more question. Do you have a response to
12 the account that there's a sharp rise in rents in
13 neighborhoods where your website listings are present
14 and growing, because that also means that it is--even
15 if it's not off the market, if there are a lot of
16 rentals in that area, the rent is going out around
17 it.

18 DAVID HANTMAN: So, I've experienced
19 increased rents everywhere throughout the city where
20 I've looked to find an apartment. I don't know what
21 connection there would be with Airbnb. It may be
22 that those are just popular neighborhoods both to
23 live and to visit. So you tend to find hosts
24 obviously in Manhattan and Brooklyn is very popular.
25 People want to go to Brooklyn to live. They want to

1
2 go to Brooklyn to visit. So, I don't know if there's
3 a cause and effect, but I haven't looked.

4 CHAIRPERSON WILLIAMS: I see. But the
5 AG's report, their study just showed that where there
6 was large amounts of Airbnb in particular, those
7 rents seemed to be rising faster than other areas.
8 So I just wanted to know if you had a response to
9 that.

10 DAVID HANTMAN: Again, I think it could
11 just as easily be that people want to go there both
12 to live and to visit.

13 CHAIRPERSON WILLIAMS: Sure. Thank you
14 very much for the testimony. I very much appreciate
15 it.

16 DAVID HANTMAN: Thank you.

17 CHAIRPERSON WILLIAMS: Next we have State
18 Senator Liz Krueger, Assembly Member Richard
19 Gottfried, and next we are going to have a panel of
20 Airbnb. It will be Robert Seidel, Don Madison [sp?],
21 Monique Greenwood, Sue Fishkin, my bad, B&B's,
22 Elizabeth Manjurano [sp?] and Vynessa [sic] or
23 Vanessa Milando. So, they can be on deck for the
24 panel after this. Now, can you please quiet down as
25 they're exiting? Alright. Thank you very much for

1 your patience. We are going to do the same courtesy
2 with a reminder and ask that if you can try to
3 summarize the testimony it'd be very helpful. Can
4 you both raise your right hand, please? Do you
5 affirm to tell the truth, the whole truth and nothing
6 but the truth in your testimony before the committee
7 and to respond honestly to Council Member questions?

9 LIZ KRUEGER: I do.

10 RICHARD GOTTFRIED: Yes.

11 CHAIRPERSON WILLIAMS: Thank you. The
12 Sergeant's going to put four minutes on again as a
13 reminder, but hopefully you'll keep to the request.
14 You can start in whichever order you prefer.

15 LIZ KRUEGER: We decided amongst ourselves
16 for me to go first. Good afternoon, Council Members.
17 My name is Senator--

18 CHAIRPERSON WILLIAMS: [interposing] Can
19 you bring the mic closer to you?

20 LIZ KRUEGER: Yes, I can.

21 CHAIRPERSON WILLIAMS: Thank you.

22 LIZ KRUEGER: My name is Senator Liz
23 Krueger. I am not going to read my testimony, but it
24 is before you all. I will just highlight a couple of
25 points very quickly and then get to some other

1 responses based on what I've been listening to today.
2 I think you're absolutely on the right track. I'm
3 delighted you're having this council hearing. The
4 short term rental of even a single residential unit
5 in a multifamily dwelling for part of the year can
6 have extremely detrimental impacts on all the
7 residents of the building. I do want to clarify that
8 I think there's been misspeaking about the law that
9 Mr. Gottfried and I passed. Even if it is your single
10 residence, the law says if you're staying there in a
11 multifamily dwelling while you're renting out a room,
12 that's one thing. If you are leaving completely it's
13 another thing. Now, if you're only doing it a couple
14 of days a year, there's probably not a lot of
15 complaints being driven there. Okay, but if my
16 husband decides he wants to hold onto his rent
17 regulated apartment while moving in with me and turn
18 that into an ongoing illegal short term rental, even
19 if it's one unit and even if it was until he moved in
20 with me as primary residence, that's not okay, and
21 that is also a loss to affordable housing. So, yes,
22 there are the issues of the people who have ten, 20,
23 100 units, but people are using this as an illegal
24 business model even for as small as one unit, and in
25

1 fact, it can have a truly negative impact. Some
2 online companies that facilitate illegal hotel
3 activity are attempting to create a false distinction
4 between illegal hotel operators and hosts who
5 participate in the new sharing economy. I appreciate
6 your highlighting that one of the four gentlemen who
7 just testified didn't need to be here because he
8 wasn't breaking the law. I fear that there's been
9 fear mongering going on that drives people to come
10 talk to their elected officials and even come and sit
11 with us today who believe that somehow they're being
12 targeted when they've never even had a violation, and
13 they've been provided misinformation under some
14 thought that if we make enough people feel panicked,
15 we will rush to change laws that should not be
16 changed or to weaken laws that I would argue based on
17 testimony today should actually be strengthened. The
18 cost of illegal hotel activity imposes on our city's
19 housing markets, residents and neighbors dramatically
20 outweighs any personal monetary gain the activity may
21 generate for individuals who are operating.
22 Virtually all residential leases and co-op
23 condominium governing documents prohibit renters, co-
24 ops, shareholders, and condominium owners from
25

1 renting their homes on a short term transient basis.
2 There seems to be some illusion that it's only some
3 people who might face this risk. I am here to tell
4 you and the people who are listening today, whatever
5 you think you might be doing as a host, please
6 understand, if you're in violation of your lease or
7 you co-op condo laws, it doesn't matter what a City
8 Council law, it doesn't matter what a state
9 legislative law is, you are the people who risk
10 losing your homes. And the companies who make money
11 off of your hosting don't give a damn. We give a
12 damn as elected officials when residents of our
13 communities end up losing their homes because they
14 violated their lease, condos or co-ops. We know that
15 for many of them they have nowhere else to go, and
16 that is not acceptable. There was questions raised
17 about what the Office of Special Enforcement could or
18 could not do or the City Council could or could not
19 do visa vi going after the web operators. So I just
20 wanted to clarify that there is a specific federal
21 law, Section 230 of Title Five of the
22 Telecommunications Act of 1996 that actually is a
23 problem for us and limits what states and
24 municipalities can do to hold the party who is
25

1 expanding this problem in our city feed accountable.
2 So, unfortunately, we need to work with our
3 colleagues at the federal level to get them to
4 understand what they didn't understand in 1996 about
5 the internet, that actually when a business is on the
6 internet, they're supposed to have to follow laws
7 also, but unfortunately, right now the city and the
8 state's hands are a bit tied, and I know that had
9 come up a number of times. I will help you ask me
10 some questions that get me to other points I wanted
11 to make. Thank you so much.

12
13 RICHARD GOTTFRIED: Good afternoon. I'm
14 Assembly Member Richard Gottfried, and I also want to
15 join in hailing the council for the effort you're
16 doing here today. Airbnb kept pressing people to
17 answer their chosen question, which essentially is
18 should the home protection law exempt transient
19 rentals of a primary residence. I'll answer that
20 question. The answer is no. The answer is no
21 because of one word, neighbors. When you live in an
22 apartment building, even if you are renting out to
23 transient, your primary residence while you are away
24 you are also renting, inviting those transients into
25 the elevators, the hallways, the lobby that all your

1 neighbors share. You're giving out the key to the
2 front door that all your neighbors depend on, and
3 when the people you rent to decide as transients want
4 to do that they want to have a party late at night on
5 their vacation, your neighbors share a wall with that
6 party and hear the noise all night long. That's why a
7 law like this needs to be in place, and that's why
8 people should not have to put up with transients even
9 if the transients are staying in somebody's primary
10 residence. Airbnb concedes that they cannot assure
11 that anything is--that their rentals are done in
12 compliance with any law. They conceded that multi,
13 multi times. They said, "Oh, we'd love to, but you
14 know, it's really tough." But the answer is they
15 can't assure compliance with the law, and that's from
16 a company that claims that they are going out of
17 their way to be nice and neighborly. We don't make
18 laws just for Airbnb. The law has to apply to people
19 who are renting out the premises on their own, who
20 are renting it out through God knows how many other
21 companies other than Airbnb, and again, even Airbnb
22 concedes that while they can be concerned about the
23 quality of the experience, there is nothing they can
24 do to try to assure that the law is obeyed. Airbnb
25

1 talked about the "promise" that was made in 2010 to
2 people who rent their apartment out only once in a
3 blue moon. First of all, let's notice Airbnb is no
4 longer talking about the once a year, once in a blue
5 moon people. They're now looking for legal
6 protection for people who rent their apartment out
7 one or 200 nights a year as long as it technically
8 remains their primary residence. But the--but two
9 things about the once a year person. Number one,
10 they are not being targeted. You know, it's been
11 illegal under the multiple dwelling law since the
12 1920's to rent out an apartment to transients, and in
13 all of those, what is it 80 years, I don't think
14 Airbnb can point to a single case. Now, I guess I
15 should say, New York is eight million people.
16 There's bound to be one of everything in New York,
17 but certainly in the 80 years that this principle has
18 been on the books, strengthened by the home
19 protection law, but always on the books, I don't
20 think Airbnb or anyone else can point to anyone ever
21 being--to the once a year type rentals being
22 targeted, but if the law exempts either all primary
23 residents or even exempts the once a year rental even
24 though they're not going to be targeted, if you
25

1
2 exempt it that means that the building inspector who
3 has a hard enough time getting into a building,
4 getting into the unit will have a virtually
5 impossible task of proving that the illegal use that
6 is going on today has also gone on numerous other
7 times during the year. And so if you try to exempt
8 the once a year user, you are essentially crippling
9 the law against all violators of the law, and I
10 believe Airbnb understands that. You know, the Nigel
11 Warren case, you know, it's like if you invite people
12 over for dinner that's perfectly fine, but if you
13 turn your apartment into a restaurant, you're now
14 probably going to run afoul of zoning laws. Maybe
15 you're going to be running afoul of the laws about,
16 you know, having to license your food service
17 establishment. That's what Nigel Warren got in
18 trouble for, not for sharing his apartment while he
19 or his roommate was there, it was because he was
20 converting that apartment into a commercial operation
21 in violation of the zoning. So, the law makes sense.
22 The law protects New Yorkers, and Airbnb's smiling
23 talk about all we want to do is try to protect
24 innocent people, those are innocent people who are
25 not now being targeted, but protecting, exempting

1 those folks will effectively cripple the law and open
2 the flood gates to the really bad actors who Airbnb
3 concedes they can't do anything about. Thank you.

4 CHAIRPERSON WILLIAMS: Thank you very
5 much. Assembly member, just very quickly, just
6 repeat again who was promised, when the bill was
7 passed and who they're focusing on now.

8 RICHARD GOTTFRIED: Well, at the time the
9 bill was being debated, people said, "Oh, if I just
10 rent my apartment once in a blue moon, who am I
11 hurting?" Well, apart from the fact that your
12 neighbors might feel differently about that, what I
13 said repeatedly at the time was, you know, people who
14 do this once in a blue moon haven't been prosecuted
15 in the 75 years the law has been on the books.
16 They're really not going to be targeted when we
17 clarify and strengthen the law, and that is in fact
18 the case. I don't think anyone would ever promise
19 that somebody who breaks the law is never going to be
20 prosecuted. What we said that in reality, those
21 folks are not going to be targeted, and in fact, they
22 are not targeted. It would be almost impossible to
23 make a case against somebody who violated the law
24 once in a blue moon even if somebody complained about
25

1
2 it which they probably wouldn't do, but if you exempt
3 those people, you make the law virtually impossible
4 to enforce.

5 CHAIRPERSON WILLIAMS: Thank you. And my
6 assumptions based on where you represent, you have a
7 lot of issues with illegal hotel usage?

8 RICHARD GOTTFRIED: We've been getting
9 complaints and growing volumes of complaints about
10 illegal hotels in my district for about 10 years now,
11 yes.

12 CHAIRPERSON WILLIAMS: Council Member?

13 LIZ KRUEGER: Sorry, around the same time,
14 approximately ten years ago was when complaints first
15 started coming in, and Dick and I had even more
16 overlapping districts then because of redistricting.
17 I am more east and he is more west at this point, but
18 I think we have great documentation on how this
19 problem has been growing throughout the five boroughs
20 of the city of New York. And if I might, Council
21 Member, just to highlight something else that was
22 said that I wanted to clarify. I believe the Airbnb
23 gentleman kept referencing in 2013 they took 2,000
24 bad actors off their website based on the action by
25 the Attorney General and through a public process,

1 but I just want to highlight that there's recent data
2 even from a day or two ago that cross-checks that in
3 November 2014, of about 15,300 Airbnb listings of the
4 entire apartment in the city of New York, there was a
5 net increase of 2,300 illegal units compared to a
6 year ago, and that by November 2014, after they threw
7 the 2,000 they said were bad actors off, that there
8 is now the number of users illegally renting out two
9 or more units actually has grown by 700 users to
10 2,764 users.
11

12 CHAIRPERSON WILLIAMS: Can you repeat
13 that again, please?

14 LIZ KRUEGER: Sure. That compared to one
15 year ago, 2013-2014 the number of users who are
16 illegally renting out two or more units in the City
17 of New York without their staying there and not in
18 one and two family homes actually grew by
19 approximately 700 users so that it now shows as 2,764
20 users are renting out their entire apartment, not one
21 and two family homes, and that our "the category"
22 being defined as the bad apples that were being
23 removed from the site. So, the problems are growing.
24 You heard from the city administration this morning
25 the problems are growing in their statistics. I was

1 sitting here then. I have to say the numbers are much
2 greater than the complaints to 311. There's just
3 only so many people who actually realize this is the
4 kind of complaint they should bring to 311. So I
5 would also hope that I've heard you speaking about
6 wanting to improve and increase the resources of the
7 Office of Special Enforcement. I think also by
8 helping to market the fact that when you are having
9 these problems, 311 is the place to call and make a
10 complaint. It's amazing how we don't think about
11 what you're supposed to do when you're having the
12 issue, and that would also be very helpful.

14 CHAIRPERSON WILLIAMS: Thank you.

15 RICHARD GOTTFRIED: I just would like to
16 echo what Senator Kruger said about the resources of
17 the Office of Special Enforcement. I think it is
18 enormously important that their resources be
19 increased and I hope that this hearing and the future
20 work of this committee is going to help ramp up the
21 enthusiasm for not just responding to complaints but
22 affirmative enforcement against bad actors by the
23 OSE.

24 CHAIRPERSON WILLIAMS: Have any of you--
25 how many complaints have you received of people

1 receiving violations or fines who are either on
2 vacation or who utilized the apartment once or twice
3 a year?

4
5 RICHARD GOTTFRIED: I don't think I've
6 ever heard of such a case, and again, in a city of
7 eight million, there's bound to be one of everting,
8 but I haven't heard any such complaint, and I think
9 if someone had been targeted, had been--had gotten a
10 violation in those circumstances, I think somebody
11 would have brought them to my door.

12 LIZ KRUEGER: I have to say the same
13 thing. Those are not the complaints I get. I get
14 complaints of people whose landlords are evicting
15 them because they discovered that they were doing
16 this on an ongoing basis, and the people call my
17 office, and we--it's our worst case scenario. We have
18 to clarify to them, "well, you know what, you break
19 your lease." Or "You know what, you violated rent
20 regulation law, and he can, in fact, evict you for
21 that." I've gotten complaints from neighbors
22 endlessly. I've gotten complaints. I suppose I was
23 trying to think about the worst one in recent past.
24 It was people--it started out by one father pulling
25 his child out of a daycare center because he

1
2 discovered that the daycare center which was in a
3 private home, it was outside Manhattan, had turned
4 the top floor of the house into illegal hotel units,
5 and that people were coming in and out of the
6 building where they could have direct access to the
7 four year olds. And the father was--this is
8 incredibly dangerous. We regulate daycare center out
9 the kazoo to protect children, but you can have total
10 strangers going in an out with your luggage in the
11 same building. So I'd say that was one of the most
12 disturbing examples that I've had recently.

13 CHAIRPERSON WILLIAMS: My last question
14 before I go to my colleagues. Do you have any
15 opinion on the three and four families? Now, they
16 seem to be kind of in a limbo of where they belong if
17 they're running B&B's.

18 LIZ KRUEGER: I think that, and I
19 mentioned this to Council Member Cornegy before, I
20 think that the legal B&B question is a little bit
21 complex because of zoning law and business law, and
22 an important one for us in government to get our arms
23 around, but I appreciated the points that it's a
24 separate question, than what I think you intended
25 this hearing to be about in the multifamily

1 dwellings. Three and four may be a reasonable
2 starting point, but you may find yourself with
3 zoning law problems that you need face. That's city
4 government not state, so I don't want to speak on it.
5 And when or if a building was a rent regulated set of
6 apartments, even in a small building, if they're
7 removed from being residential units of affordable
8 standing, it's a tricky question that you also have
9 to look in, but again, hearing the people that
10 brought this up, they've been operating for 10, 20,
11 30 years as such and now find themselves with
12 problems. I think it's important for the City Council
13 and if there's state law that needs to be addressed
14 to help rate, and I think it's not only worthy of
15 perhaps a different hearing, but some kind of
16 taskforce discussion to try to figure out what
17 problems those actual companies are having and what
18 can be done about it.

19
20 CHAIRPERSON WILLIAMS: But for clarity,
21 the multiple dwelling starts at--rent stabilized
22 starts at six.

23 LIZ KRUEGER: Right. So that's why you're
24 getting--you're in some overlapping territory perhaps
25 for some number of buildings, but I don't know how

1 many buildings we're talking about or what geographic
2 areas. I know a lot of these buildings were--excuse
3 me. A lot of B&B's had been registered in some way
4 with like the Department of Finance as businesses.
5 SO I think you could actually do some data homework,
6 unlike with these larger websites, and figure out the
7 universe and who and where.

9 RICHARD GOTTFRIED: If I could comment on
10 that, if you want to do a bed and breakfast in a one,
11 two, three, four, five, six, any number of unit
12 building, what you need to do is reclassify your
13 building from a class A multiple dwelling which is
14 for permanent occupancy and convert it to a class B
15 multiple dwelling if it's three or more units, in
16 which case it is for transient occupancy. So the
17 multiple dwelling law is not your obstacle. Your
18 obstacle, though, is local zoning, because chances
19 are you may be on a block where the city and the
20 Community Board and the City Planning Commission in
21 their wisdom have decided that this block is a
22 residential block, not a commercial block, and we
23 don't want a hotel here. If the city were to change
24 its zoning and say on this block it's okay to have a
25 four unit hotel, which is what a B&B is. B&B's a

1 nice word, but it's a hotel. Then the multiple
2 dwelling law would not be what stands in your path.

3
4 CHAIRPERSON WILLIAMS: Thank you very
5 much. I'm going to just help my colleagues along,
6 put five minutes on the clock for the questions, see
7 how we do with that. So we have Council Member
8 Rosenthal and then Council Member Cornegy.

9 COUNCIL MEMBER ROSENTHAL: Thanks so much,
10 Chair Williams. Senator Krueger and Assemblyman
11 Gottfried thank you so much for being champions on
12 this issue for a long time. The district I represent
13 really appreciates it. Did you want to finish a point
14 that you were making previously, Senator, before I
15 ask you a question?

16 LIZ KRUEGER: See, now I think I sort of
17 snuck it in to a partial answer--

18 COUNCIL MEMBER ROSENTHAL: Well done.

19 LIZ KRUEGER: to Council Member Jumaane
20 Williams.

21 COUNCIL MEMBER ROSENTHAL: Alright. I
22 mean, I think the problem that I'm wrestling with and
23 was wrestling with when speaking to Mr. Hartman [sic]
24 is that if he's not going to show us his data, then
25 we just can't know who we're talking about, and I'm

1
2 wondering is there anything that the state can do or
3 is that just all in the hands of Attorney General in
4 terms of compelling them as a platform to reveal that
5 information, obviously without personal addresses.
6 That's not what I'm interested in. But just to know,
7 you know, how many people are doing it one time a
8 year because they're going away on vacation versus,
9 you know, people who are renting out multiple times,
10 disturbing their neighbors or people who have
11 multiple dwellings that they're renting out. And he,
12 he just wanted to bring that conversation back to,
13 "Oh, are you going after the people who it's just
14 once in a while?" And I'm worried that that's the
15 line of argument that he's going to take to the
16 state, and I'm wondering if there's anything we can
17 do at the city level to help protect that or if you
18 guys have a greater breadth to require, compel them
19 to produce the data?

20 LIZ KRUEGER: I think that the line of
21 questioning and the way it was answered was
22 continuing the corporate model of trying to build
23 fear mongering into a universe of people who may be
24 using their website. That is not a realistic fear to
25 start with. When the Attorney General asked for the

1 data, all the other companies agreed to give the
2 data. That one company refused and they attempted to
3 make the argument that they were trying to protect
4 people from some harm that would be done to them by
5 the AG having data. Attorney Generals ask for data
6 from businesses to ensure that laws are being
7 followed. It does not mean that there was any desire
8 or intent for the Attorney General to be targeting in
9 some way innocent bystander people. I think it is
10 important though to understand that in law if you're
11 providing a business service there are laws that you
12 can be held accountable to, and that being an illegal
13 hotel, even if it's an illegal activity is a business
14 activity. The question of can we make Mr. Hantman
15 and Airbnb provide us this information, again, is a
16 catch 22 with that federal law.

18 COUNCIL MEMBER ROSENTHAL: yeah.

19 LIZ KRUEGER: It doesn't mean they can't
20 voluntarily do it, and it certainly doesn't mean they
21 can't voluntarily do it without providing identifying
22 information about people as you were requesting. I'm
23 quite sure they have the technical capacity to do
24 that immediately. They're in the web business. They
25 have, as you pointed out, large numbers of staff to

1 do all kinds of things. They simply don't want to. I
2 don't believe--I'll leave it to Dick to come up with
3 a better answer. I don't think the state legislature
4 found a way that we could compel them through some
5 kind of law change to provide us this data. We
6 actually counted on them cooperating with the
7 Attorney General, which they dragged their feet on,
8 but eventually did. And by the way, I don't think
9 the world came toppling down for any people who would
10 use that website either.

12 COUNCIL MEMBER ROSENTHAL: Thank you.

13 RICHARD GOTTFRIED: yeah, I would agree.
14 I guess I'd want to study the federal statute more
15 carefully before saying something conclusive, but
16 from what I have been hearing for the state to be
17 regulating Airbnb as opposed to the housing could get
18 very difficult.

19 COUNCIL MEMBER ROSENTHAL: IT just feels
20 like at the end of the day our hands are tied and the
21 only tool we have at the end of the day is the Office
22 of Special Enforcement, and we're going to have to be
23 a complaint driven--it's going to have to be a
24 complaint driven process, and the numbers of
25 complaints obviously are only going up as more and

1
2 more neighbors are aware that they can call 311 and
3 complain.

4 LIZ KRUEGER: And I know that you're going
5 to have testimony from many people today. So, no
6 doubt you've even--

7 CHAIRPERSON WILLIAMS: [interposing] What
8 makes you think that?

9 LIZ KRUEGER: Oh, I don't know. I just
10 was suspicious based on the volume of people. It's
11 actually--when you were asking about what kinds of
12 complaints you would hear about, landlords calling us
13 saying this is a terrible thing and we can't get our
14 arms around it is a unique situation for, I think,
15 Dick and I starting out early. That in fact, you
16 have landlords calling to say this is happening in my
17 building. I'm the one getting the violations, even
18 though I didn't know what was going on until I
19 complaints. It costs me money on both curing the
20 complaints and having to put new locks in the doors
21 every time I hear about these problems. I would love
22 a greater ability to stop it from happening in the
23 first place. So it's another area where I think
24 there is some commonality of concern about the impact
25 on residential communities and buildings. And when

1 we talk about in our apartments as Dick said, in your
2 own home in a private house, I get it. In your own
3 apartment, if it's a rental, condo or co-op, it's not
4 just yours. It's all your neighbors, and if it's a
5 rental, it's the owner of the building as well, and
6 they are also seeing the patterns of problems that
7 are growing. So I bet I won't be the first one or
8 the last one to point that out at this hearing.

10 CHAIRPERSON WILLIAMS: Thank you.

11 COUNCIL MEMBER ROSENTHAL: Thank you.

12 CHAIRPERSON WILLIAMS: Thank you, Council
13 Member. Council Member Cornegy?

14 COUNCIL MEMBER CORNEGY: Thank you,
15 Assembly Member and Senator, thank you. So at the
16 risk of beating a dead horse and not that I advocate
17 for the harm of any horses or any animals, rest [sic]
18 the administration.

19 LIZ KRUEGER: Different hearing.

20 COUNCIL MEMBER CORNEGY: It's different
21 hearing, right. Although my colleagues have tried to
22 determine what this hearing is about or what it's not
23 about and who it covers and who it doesn't cover,
24 there are fines and fees being leveed against,
25 disproportionately at this point, against small

1
2 businesses, which I chair that committee and would
3 like to adhere to the slogan that the government has
4 put forward which says that New York is open for
5 business. So, I really feel like there's got to be a
6 way that while we're pushing forward city legislation
7 that will protect those small businesses in the
8 interim, they're getting killed with these fines and
9 fees, and I'd just like to know if you had any idea
10 about, you know, what we could do in this interim
11 period so that some of these businesses literally
12 don't go under from what now is borderline harassment
13 to some degree with the constant barrage of fines and
14 fees being leveled against them, and that's the bed
15 and breakfasts that are operating as trying to stay
16 in the city regulation of two and under. Some
17 sometimes fall out of that to the state, which is
18 four and under. So there's this very murky vague way
19 that the law is written and being administered and
20 disproportionately is negatively affecting these
21 small businesses.

22 LIZ KRUEGER: I don't think its state law
23 that you have a problem with. I actually think it's
24 the city law, and actually the fees and fines are all

1 triggered by city action. Again, I don't want to
2 sort of say, "Oh, it's not us." But I'm not sure--

3 COUNCIL MEMBER CORNEGY: [interposing] No,
4 no, no, I wasn't blaming you, but I what I was saying
5 is that so we've heard that this is--that it's a
6 complaint driven system that triggers these fines and
7 fees, and I'm just not sure how that could work as it
8 relates to that in reference. I find it--

9 LIZ KRUEGER:[interposing] I don't want to
10 assume something, but having listened to the back and
11 forth when the Office of Special Enforcement was
12 sitting here, I got the sense it wasn't them hitting
13 the B & B's up with these fines. It was Department
14 of Buildings. So it was being triggered by
15 something, but not necessarily this law. So, I would
16 ask--I guess I would ask them for the data, probably
17 you did already, of who was triggering the complaints
18 and the filings by DOB, and I would, again, it's not
19 for me to suggest what the city's action should be,
20 but perhaps the administration and DOB sitting down
21 with the Council specifically to evaluate those fines
22 and who's getting them.

23 COUNCIL MEMBER CORNEGY: So, although we
24 don't have in the budget to allow lunch for our State
25

2 Legislator who stayed all day, I would still like to
3 encourage you to stay just a little bit longer,
4 because I think what you'll hear from the bed and
5 breakfasts is a better way of articulating what their
6 plight is. So, as they--nobody can advocate better
7 them and small businesses as themselves, and I
8 believe that that panel is next. I would just
9 encourage you if you have any time on your busy
10 schedules to just hear from them. You've heard from
11 me 50 times already today, but I think that they can
12 articulate themselves a little bit better. Thank
13 you.

14 RICHARD GOTTFRIED: Thank you.

15 CHAIRPERSON WILLIAMS: Thank you for the
16 work that you've been doing before I was a Council
17 Member, and thank you for coming and testifying.

18 LIZ KRUEGER: Thank you.

19 CHAIRPERSON WILLIAMS: We're going to
20 hear from some B & B's now, but I don't know if
21 anybody wants to join me in just standing up really
22 quick and stretching it out. Been here for a while.
23 Alright, we're going to hear from--thank you, yeah. I
24 got to--So we're going to hear from Robert Seidel,
25 Don Madison, Monique Greenwood, Sue Fishkin,

1 Elizabeth Manjurano [sp?], and Vanessa Milando.
2 Please come up please. We're going to start this
3 panel now. [off mic] Okay, we're going to get
4 started now, so if we can quiet down. I do want to
5 thank everybody for their patience. I know this is a
6 long hearing, the majority of which had come from the
7 administration. We'll heard some from our elected
8 officials, but it was really our intention to really
9 kind of get a better understanding of what is exactly
10 going on. We did hear from some tenants at the
11 beginning to get what their perception is and what
12 they're going through, and I want to make sure we
13 hear from some of the people that have come up time
14 and time again, which are people who are doing
15 Airbnb. So, I'm glad that you stayed. Thank you very
16 much. We're going to give two minutes each for all
17 the rest of the testimony. We're going to be able to
18 follow up, too. Two minutes each, and then we're
19 going to follow up--we'll follow up with questions,
20 so you might be able to get some of your points in.
21 But I'm sure the people coming after you say thank
22 you for understanding. It'll be two minutes each for
23 testimony. Can you please raise your right hand? Do
24 you affirm to tell the truth, the whole truth and
25

1
2 nothing but the truth in your testimony before this
3 committee and to respond honestly to Council Member
4 questions?

5 UNIDENTIFIED: Yes.

6 UNIDENTIFIED: Yes.

7 UNIDENTIFIED: Yes.

8 CHAIRPERSON WILLIAMS: Thank you very
9 much. You can begin in whichever order you prefer.

10 MONIQUE GREENWOOD: My name is Monique
11 Greenwood, and I make eggs, I make beds, and I make
12 memories as the owner and innkeeper of Akwabba
13 Mansion Bed and Breakfast in Bedford-Stuyvesant,
14 Brooklyn. Twenty years ago, my husband and I
15 purchases and saved a dilapidated single family
16 mansion and began raising our family and hosting B &
17 B guests, 20 years ago. In preparation for our
18 venture, I stayed at countless B & B's on the east
19 coast and learned what a B & B is and what it is not.
20 Now I'm considered an expert in the industry, one who
21 has served on the National Board of the Professional
22 Association of Innkeepers International, serves as
23 Co-chair of the newly formed NYC Bed and Breakfast
24 Association, and one who was named New York City
25 Small Business of the Year by two Mayors, Giuliani

1 and Bloomberg. So, for the purpose of this hearing,
2 let me first shed some light on what a bed and
3 breakfast is. It is technically a short term lodging
4 accommodation, which is why I and my B & B colleagues
5 are here to testify today, but that's where the
6 similarities end between our small, home-based
7 businesses and the unhosted apartment vacation
8 rentals and illegal hotels that have caused concern
9 for so many. A traditional B & B like the ones we
10 own and operate is typically a one or two family
11 owner occupied home. Our guests stay with us and we
12 don't deplete any of the city's much needed
13 affordable housing stock, nor do we inconvenience or
14 pose a safety treat to other tenants in the building,
15 because we are the only other occupants of our homes.
16 Number two, a typically traditional B & B is a safe,
17 properly insured lodging alternative. Our B & B's
18 carry insurance policies specific to our industry.
19 They require that we have commercial grade fire
20 extinguishers and emergency lighting, while
21 practicing several preventive safety measures.
22 Number three, we are fiscally responsible businesses
23 paying all city and state taxes. About 10 years ago,
24 several traditional B & B owners met with the
25

1
2 Department of Finance which recognizes our
3 legitimacy. We pay all classifications of taxes as
4 small operators, which was called for us
5 specifically, city and state sale taxes, as well as
6 hotel taxes, room taxes, occupancy taxes, totaling 16
7 percent of the cost of a stay. We openly operate and
8 market our businesses with high visibility and
9 respect in our communities. We are not anonymous.
10 We are valuable community members often housing our
11 neighbors, families and actively involved in
12 preserving the quality of life throughout our blocks.
13 And five, we are necessary and desired component of
14 New York City's successful tourism industry.
15 Manhattan has always been a hot tourist destination
16 and now Brooklyn neighborhoods and other outer
17 borough areas have sizzle too, but they have few or
18 no hotels. What they do have is us, local residents
19 who welcome travelers into our homes, which are some
20 of the finest cities--some of the city's finest and
21 most historic dwellings. We are professionals who do
22 what we do seriously.

23 CHAIRPERSON WILLIAMS: Going to ask you
24 to wrap up please.

MONIQUE GREENWOOD: Okay. Final point.

So what's the problem? The treatment of B & B's in New York City has been uneven, each city agency trying to fit a square peg into a round hole making the operating climate difficult at best for consumers and business owners alike. Of the 62 counties in New York State, 57 have regulations dealing specifically with the definition of the operation of bed and breakfast. The five counties of New York City are the only ones with no such regulation. So, therefore, we have most recently fallen into a very bleak situation where yes, we have received fines and violations. We have been visited by the Mayor's taskforce, to answer some of the other questions. I have a lot more here, so I will welcome the opportunity to talk with you, but suffice to say that we would like to work with legislators in creating sensible and smart laws that will protect this valuable segment of the hospitality industry. I know it can be done. I also operate a bed and breakfast in my hometown of Washington D.C. We have laws and legislations. It's simple. We can make it happen. We need to make it happen.

1
2 CHAIRPERSON WILLIAMS: Thank you very
3 much. Who's next?

4 DONALD MADISON: Good afternoon. My name
5 is Donald Madison. I'm going to skip some of the
6 introductory stuff and--

7 CHAIRPERSON WILLIAMS: [interposing] God
8 bless you.

9 DONALD MADISON: just get straight to the
10 point. As Ms. Greenwood's numbers demonstrate,
11 America has as strong and proud tradition in the bed
12 and breakfast industry. Even on the local level, our
13 economic contributions are not insignificant. On the
14 contrary, our guests spend most of their time and
15 money in Brooklyn's neighborhood, excuse me,
16 Brooklyn's neighborhoods. B & B owner's direct
17 guests to the best Brooklyn has to offer. In turn,
18 these guests spend hundreds of dollars daily at
19 locally owned and operated businesses from Coney
20 Island to Green Point. A recent survey that we
21 conducted of B & B's in Brooklyn shows that Brooklyn
22 B & B's host an estimated 45,000 guests annually,
23 primarily in neighborhoods with few if any
24 alternatives. Our guests spend an estimated 50
25 million dollars annually at local businesses. This

1 money goes into the pockets of our often struggling
2 neighbors, not to Wall Street. The Finance
3 Department, to the Finance Department as legitimate
4 small operators, Brooklyn's B & B's pay an average of
5 15,000 dollars annually in sales and use taxes
6 boosting local tax revenues by nearly 750,000
7 dollars. It is time that the city gave legal status
8 to thriving segment of small businesses crucial to
9 their neighborhoods so that they can operate free
10 from fear that arcane and decades old codes will be
11 used to fine us out of existence. In support of my
12 testimony and that of my colleague's which follows I
13 have included more than 30 testimonials from current
14 and former guests. Thank you very much.

16 CHAIRPERSON WILLIAMS: Thank you.

17 SUE FISHKIN: Hello and thank you so much
18 for giving us this opportunity. In lieu of reading
19 my personal testimony, because it's more of a good
20 thing, what I am going to read to you is testimonial
21 from a group called Friends of Cortelyou, which
22 single handedly revitalized the Cortelyou Road Strip
23 in Ditmas Park, Brooklyn, actually Beverly Square
24 West--

1
2 CHAIRPERSON WILLIAMS: [interposing] Thank
3 you for clarifying that.

4 SUE FISHKIN: Yes, and my name is Sue
5 Fishkin. My husband Michael Hurwitz [sp?] and I
6 cohost the beautiful Rugby Gardens Bed and Breakfast
7 on Rugby Road, and we consider ourselves and the
8 neighborhood at large considers our home to be the
9 icon of the neighborhood. So, this is a letter from
10 Friends of Cortelyou. Friends of Cortelyou in the
11 Ditmas Park section of Brooklyn was started 13 years
12 ago by Jan Rosenberg, a sociology professor turned
13 local real estate broker to spark the revitalization
14 of Cortelyou and the surround neighborhoods. One by
15 one small boutique restraints and businesses began
16 springing up. Young families, artists and musicians,
17 film-makers and entrepreneurs have moved to the
18 neighborhood and little by little this beautiful
19 enclave of freestanding Victorian homes has become
20 rejuvenated. Another industry driving this rebirth
21 is the small owner owned and operated B & B's that
22 are sprinkled throughout the various neighborhoods
23 that comprise the larger Ditmas Park, Beverly Square
24 West, West Midwood and Kensington to name a few.
25 Their guests support the restaurants and bars, real

1 estate brokers, food co-ops and supermarket, all of
2 the small coffee houses, Brooklyn industries,
3 boutiques, and other small businesses that are coming
4 to the area. The owner owned and occupied B & B's
5 are the ambassadors of our neighborhoods as well as
6 greater Brooklyn, whether they provide a sanctuary
7 for grandparents from out of town or for an
8 opportunity for a family who might be relocating to
9 feel what it's like to immerse themselves in this
10 warm and vibrant community or host tourists from
11 across the world. They've helped to put us on the
12 greater map, create our brand. If you Google Ditmas
13 Park, the first photo you will see is one of our
14 beautiful B & B homes, the icon of Ditmas Park.
15 That's us. The specific type of short term rental
16 that is provided by the owner owned and occupied B &
17 B's has helped to further stimulate and stabilize our
18 local community and economy. Signed Jan Rosenberg,
19 founder and President of Friends of Cortelyou and
20 founder of Brooklyn Hearth Realty. Thank you.

22 CHAIRPERSON WILLIAMS: Thank you.

23 ELIZABETH MANJURANO: Good afternoon. My
24 name is Elizabeth--thank you. Good afternoon. My
25 name is Elizabeth Manjurano. I am a proud fourth

1 generation Brooklynite. In 2013 I purchased one of
2 Bed-Stuy's beautiful brownstones. With great respect
3 for the house and its architectural history, I
4 undertook what is amounting to a two-year restoration
5 process. To support this, I decided to operate it as
6 an owner occupied and hosted bed and breakfast, which
7 is scheduled to open this June. I wish to address
8 bed and breakfasts beneficial impact on tourism in
9 New York City. Throughout the country and
10 internationally, urban located owner occupied B & B's
11 serve as well-established alternatives to larger,
12 more expensive hotels that are most frequently
13 clustered in only one or two communities within a
14 city. B & B's are often situated in historic or
15 landmarked homes that invite visitors to learn about
16 our city's history and its varied neighborhoods, as
17 well as meet its community members. B & B owners
18 remain onsite, living in the home and serve as the
19 guests' host. B & B owners act as tour guides and
20 historians. Tourism in New York City has increased
21 over the last 10 years from 40 million to over 54
22 million annual visitors. City hotel occupancy rates
23 were over 88 percent last year and continue to rise.
24 According to Sean Hennessey [sp?], CEO of the
25

2 industry consultant firm Lodgman [sp?] Investment
3 Advisors, corporate travelers tend to crowd out
4 tourists who cannot afford large hotel rates.
5 Without the affordable traditional B & B option
6 available to tourists, New York City stands to lose a
7 significant amount of tourism, tax dollars and an
8 economic stream to its small business. Owner-
9 occupied B & B's are an affordable, responsible and
10 safe alternative to the large hotel/motel experience.
11 B & B's allow out of state family members to be a
12 guest in their loved ones communities. B & B's allow
13 travelers to feel that they are in a home away from
14 home. Additionally, as for the outer boroughs, their
15 international appeal has grown significantly. We are
16 no longer an afterthought, but rather the specific
17 destination of world travelers, many of whom come
18 from countries where B & B's are very popular and
19 seek their distinctive experience. In essence, B & B
20 owners serve as New York City's ambassadors. I hope
21 that the Council will support their continued
22 existence.

23 ROBERT SEIDEL: Good afternoon. My name
24 is Robert Seidel. I own and operate the Lorelei Bed
25 and Breakfast in the Midwood, in the West Midwood

1 section of Brooklyn. I've been a homeowner in the
2 Ditmas Park community for more than 20 years. I'm a
3 past President of the West Midwood Community
4 Association, and I'm still active on the board. The
5 Lorelei B & B has been operating for more than nine
6 years. We incorporated the business in New York of
7 March 2005, carried bed and breakfast insurance, and
8 collect relevant taxes on behalf of the state and
9 city Departments of Finance. Despite our compliance
10 with tax and safety issues, some of us were targeted
11 by aggressive inspectors from the DOB acting
12 undercover and posing as potential guests as a ruse
13 to enter our homes, while other banged on my porch
14 doors to intimidate. As a result we had been fined
15 with personally 2,400 dollars and others with more,
16 as we can ill-afford, and some of us have closed. As
17 proud ambassadors of New York City, we've helped
18 navigate--helped visitors navigate the city while
19 providing a haven. Our guests support small
20 businesses in our community like the many outstanding
21 restaurants and mom and pop stores. Our guests
22 represent the diversity that is the very fabric of
23 the neighborhood. For several years, Brooklyn B & B's
24 were invited and advertised by the Borough
25

1
2 President's office in its national and international
3 initiatives promoting tourism for Brooklyn. We can
4 all agree of the success of these efforts as Brooklyn
5 is once again a brand onto itself. Why do people
6 choose our B & B's? Trip Advisor offers some
7 answers. Trip Advisor is one of the world's largest
8 travel websites providing user generated reviews of
9 their experiences. The services are free and
10 accessible to everyone. The B & B's are included in
11 the short term rental category, and currently 162
12 separate B & B's are listed in the New York City
13 segment. The thousands of individual reviews written
14 by former guests are overwhelmingly positive and
15 major themes include appreciation for comfortable one
16 of a kind accommodations near family, friendly
17 personal attention from the owners/operators, feeling
18 a new enhanced connection to New York City, feeling
19 that they have found a home away from home and
20 looking forward to returning. These comments offer
21 further testimony to the significant contributions B
22 & B's make both to our neighborhood small businesses
23 and to our neighborhood's vitality and stability.
24 Thank you.

25 CHAIRPERSON WILLIAMS: You can just--

2 VANESSA MILANDO: Good afternoon. I want
3 to thank Chairman Williams and the members of the
4 City Council Housing and Buildings Committee for
5 providing me with the opportunity to speak in support
6 of bed and breakfast owners who have become
7 unintended targets of the illegal hotels law and the
8 subsequent crackdown. My name is Vanessa Milando,
9 and for 17 years I've been the proud proprietor of
10 Ivy Terrace B & B. I'm also the President of Stay
11 NYC and I'm on the Board of the Empire State Bed and
12 Breakfast Association. Stay NYC was formed four years
13 ago. It's a nonprofit association of B & B owners
14 that pay occupancy tax, hotel tax, state and city
15 sales tax. Our businesses have registered with the
16 City of New York as small facility operators. We
17 carry liability insurance for bed and breakfast,
18 operate transparently and average only five rooms.
19 Our small buildings have no rent regulated units, and
20 we've been providing high quality accommodations to
21 travelers for more than 17 years. While illegal
22 hotels and Airbnb rentals continue to be a serious
23 quality of life issue for many, our brick and mortar
24 B & B's have become the unintended targets of this
25 law. We operate transparently, and because of that,

1 we have suffered greatly. As a result of the well-
2 meaning illegal hotels law, 10 of our small tax
3 paying businesses have closed in the past two and a
4 half years, and that's 10 out of only 16 that were in
5 Manhattan in 2010. Despite the fact that we're
6 registered with the city and state, our business have
7 been given steep fines and told to close.

8 Professional innkeepers who spent thousands of
9 dollars on standalone websites, restoring their
10 historic properties and providing professional
11 hospitality have been dragged into the Environmental
12 Control Board Court and treated like criminals. One
13 B & B owner who was in business since 1986 sustained
14 192,000 dollars in losses due to one visit by the
15 Mayor's Office of Special Enforcement. This business
16 never received a complaint in more than 20 years of
17 business. My business, Ivy Terrace, suffered over
18 180,000 dollars in losses and fines the very first
19 year the law was enacted. This includes fines, legal
20 fees, my loss of business. It's unacceptable, I
21 feel, that a fully taxed compliant, registered, women
22 and minority owned small businesses such as ours
23 should be fined and told to shut our doors. Before
24 the law went into effect in 2010, we spoke to our
25

1
2 state legislators. We were told we would not be
3 affected by this law, and clearly that hasn't been
4 the case. I want to say in good faith we've continued
5 to collect and remit our hotel taxes to the city--

6 CHAIRPERSON WILLIAMS: [interposing] I'm
7 going to have to ask to wrap up, please.

8 VANESSA MILANDO: Sure. I will go to
9 this. We are a small but a really important industry
10 and we deserve distinct considerations. We don't
11 comingle overnight tourists with residents. We don't
12 affect affordable housing, and we're not party to the
13 conflicts, which were the basis of this law four
14 years ago. We desperately, desperately need your
15 cooperation to find a solution so our businesses can
16 survive. I hope you work with us, and hopefully the
17 Mayor's office before all the registered brick mortar
18 B & B's are gone.

19 CHAIRPERSON WILLIAMS: Thank you, and
20 thank you all for your testimony. It is very
21 important, I think, to hear. Thank you. And Ms.
22 Greenwood, I know that you have been running Akwabba
23 before Bed-Stuy was, but what it is now. And so I'm
24 very familiar with it. I don't know if you still do
25 the brunches. I miss those. I don't know if they're

1 still there, but it'd be great to bring it back if
2 they're not there. Okay, I just miss the brunches.
3 And thank you, Ms. Fishkin. You're my neighboring
4 district, but thank you for saying that it's not all
5 Ditmas Park. Mr. Seidel, I was surprised to hear you
6 call it Ditmas Park. You did say West Midwood. I'm
7 hoping that embracing that everything over there at
8 Ditmas Park, because you are in my district. It is
9 not Ditmas Park. It is West Midwood. Thank you very
10 much. First, how many of you are in one and two
11 family homes?
12

13 ROBERT SEIDEL: All of us.

14 UNIDENTIFIED: So--

15 CHAIRPERSON WILLIAMS: You're one--

16 MONIQUE GREENWOOD: Not me, no, no. We
17 have an association that we've recently formed called
18 the New York City Bed and Breakfast Association, and
19 we're all basically primarily one and two family
20 residences.

21 CHAIRPERSON WILLIAMS: Okay. And you're
22 Ms. Mod--

23 VANESSA MILANDO: Ms. Milano, yes. No--

24 CHAIRPERSON WILLIAMS: How many units are
25 you?

1 VANESSA MILANDO: I'm a small building,
2 and it's a multiple dwelling. Its six apartments.

3 CHAIRPERSON WILLIAMS: Six apartments.

4 VANESSA MILANDO: And the whole building
5 is a bed and breakfast.

6 CHAIRPERSON WILLIAMS: And the--your Stay
7 NYC, your members are made up of how many people and
8 how many units--

9 VANESSA MILANDO: Now, we only have two
10 members. We started at seven, the rest have closed.

11 CHAIRPERSON WILLIAMS: How many units do
12 your members represent? I mean--

13 VANESSA MILANDO: The average is five.

14 CHAIRPERSON WILLIAMS: Average is five.
15 So the five that have one and two family, have you
16 received violations and fines?

17 MONIQUE GREENWOOD: We have more than five
18 members. I should say that, only five members are
19 speaking today.

20 CHAIRPERSON WILLIAMS: Oh, no, I gotcha.

21 MONIQUE GREENWOOD: Only five members are
22 speaking today and there are several others that are
23 here, and I would say half of--

1
2 CHAIRPERSON WILLIAMS: So let me
3 understand. How many members? What's the name of
4 your--

5 DONALD MADISON: We're the New York City
6 Bed and Breakfast Association. We have currently 15
7 participating members, and we are out doing a lot of
8 outreach. We've identified 50 B & B's in Brooklyn,
9 and we're growing slowly, and we're very happy that
10 we have some advocates with the City Council.

11 CHAIRPERSON WILLIAMS: And how--have you,
12 the--

13 DONALD MADISON: Average of three
14 bedrooms.

15 CHAIRPERSON WILLIAMS: Okay.

16 UNIDENTIFIED: And the ones that are
17 active, the 15 that are really meeting and pushing
18 this forward, at least half of us have received
19 violations.

20 CHAIRPERSON WILLIAMS: What kind of vio--
21 I want to understand, because you, the five that are
22 one and two family should not be receiving violations
23 under the multiple dwelling law. So I'm trying to
24 understand what are the violations.
25

1
2 MONIQUE GREENWOOD: So, here's the issue
3 and the part that I couldn't get to in my
4 presentation. There are no laws that specifically
5 govern a bed and breakfast in New York City. So
6 therefore, New York City according to the buildings
7 codes and the zoning codes don't have a
8 classification called bed and breakfast. The closest
9 thing that comes to that would be in the buildings
10 code, and it is a code that dates back to the 60's
11 and it refers basically to rooming houses. It states
12 that a single family residence can have up to two
13 boarders who pay for that consideration. Boarder
14 refer to people. So now it's saying that you can have
15 two people in your bed and breakfast before you break
16 the law, and that's the closest thing to what we are
17 as bed and breakfast would be that boarding law. So,
18 the moment that you take a couple into a guest room,
19 you are at your maximum capacity. So the violations
20 that most of us have received are operating not--
21 what's it--nonconforming to our C of O [sic]. Because
22 I said, we're operating a hotel. Now, the state has
23 a different law. The state says that we can have up
24 to four boarders, okay? So I've been operating for
25 20 years under that law of having four boarders. I

1
2 have four guest rooms. Now, the city because of this
3 recent activity has come to say, "Oh, we have
4 something here that says two boarders, and we're
5 going to enforce the two boarder rule." And so they
6 have come into my home and they said, "Well, you have
7 four guest rooms. You have four rooms and they have
8 names." And I'll say, "No, no, no, I actually have
9 more rooms than in my home. Where I cook is called
10 the kitchen. Where my husband I do our thing, it's
11 called the love nest. That's not the issue, how many
12 rooms I have." So the issue is--too much information,
13 sorry. But the point it is that it comes down to
14 that kind of minutia of saying how many rooms you
15 have and how many beds are in your house, whether or
16 not you're legal, and quite honestly, you know, I
17 don't know--I know my colleagues would agree, I can't
18 sustain my business with one room and two people.
19 And I do have bed and breakfast in other cities,
20 Washington D.C. I'm in Pennsylvania. I'm in Cate May
21 [sic], New Jersey, and I have never seen anything
22 like this. They welcome and embrace and not simply
23 tolerate and make difficult, and so we just need to
24 carve that out, be specific about what the law needs
25 to be. We want regulation. We want to work with you

1
2 in creating regulation that will preserve an
3 industry, a much needed industry and allow us to
4 continue to do what we do for the city.

5 CHAIRPERSON WILLIAMS: Thank you for your
6 full testimony. I think Jay-Z said, "I'm from
7 Brooklyn, it might take a little getting used to."
8 So I definitely understand. I just want to get a
9 better understanding of what type of violation you're
10 getting. What is the violation for? You said non-
11 use of--nonconforming use of C of O [sic].

12 MONIQUE GREENWOOD: Illegal conversion.

13 CHAIRPERSON WILLIAMS: And how much is
14 that fine?

15 MONIQUE GREENWOOD: Well, it can range. I
16 think--I didn't get the fine. I think it's 2,400
17 dollars. I didn't get the fine, because I did what
18 I'm doing right now. I explained my case, and won,
19 and we're hoping that's what will happen here.

20 CHAIRPERSON WILLIAMS: Aside from Ms.
21 Manjurano, what are the other--what have you received
22 in terms of violation, what were you violated for?

23 ROBERT SEIDEL: Also noncompliance of the
24 C of O and not living within a common household. So,
25 I had a guest visiting when the inspector came, and

1 because I had mentioned that my bedroom on the third
2 floor was not open, you know, because they had their
3 own bathroom and bedroom that I didn't think that
4 that was appropriate that they needed, and because I
5 wasn't living within the common household it was in
6 violation.
7

8 CHAIRPERSON WILLIAMS: What was the fine?

9 ROBERT SEIDEL: 2,400 dollars.

10 CHAIRPERSON WILLIAMS: Do you know what
11 the average fine is that people are receiving?

12 VANESSA MILANDO: Yeah, hi. Per fine they
13 can range from 800 to 2,500 per violation, depending
14 on how many violations that you get.

15 CHAIRPERSON WILLIAMS: And for the five
16 one and two family, how many violations do you get
17 per visit and how often are you visited?

18 SUE FISHKIN: I didn't actually suffer
19 violations. However, there were three complaints
20 lodged against me, and it's in the testimony that I
21 handed out to you. The first--and I guess this goes
22 back to the testimony of the Special Enforcement.
23 Our first complaint on the DOB website was November
24 7th of 2007. We did not have anyone come to visit
25 the home, nor was this disposed in any way until

1
2 2013. So there was a long space of time in between.
3 So we've had three complaints, 2007, October of '13
4 and February of '14, and the one February of '14 was
5 dismissed when a gentleman from DOB came to my home
6 and asked to see my basement, and was completely
7 assured in seeing my basement that there was no
8 illegal conversion. And we also were visited
9 multiple times, and in one case did not let them in.
10 They were dressed as police officers, but did not
11 have any identification.

12 ROBERT SEIDEL: I also want to point out
13 that on one day--we were saying that it's complaint
14 driven, and on November 1st, I believe the date,
15 November 1st, 2013, about ten bed and breakfasts in
16 Brooklyn, and I've sent the dates onto Councilman
17 Cornegy's office, all received the same complaint.
18 It wasn't 311 lodge, but through the DOB website for
19 illegal conversion of basement or cellar. And when
20 the inspector came to my house and said that it was
21 an illegal conversion of my basement, which he
22 clearly saw was not, and that it was a complaint by,
23 he had mentioned the Community Board. I called the
24 Community Board 14 and talked to district manager
25 Shawn Cambell [sp?], and she assured me that there

1 was no complaint lodged against my property, and she
2 certainly did not lodge a complaint to DOB against
3 the property.
4

5 DONALD MADISON: if I might just add,
6 based on our experiences and the way these complaints
7 have been filed--they're visible on the DOB's
8 website. I mean, for them to say that it's complaint
9 driven and that we are not targeted from our
10 perspective is absurd, given that all of these
11 complaints were filed on one day, and also it appears
12 that inspectors from the DOB can be the ones that
13 file the complaints. I mean, they can very easily go
14 to the internet, find a list of all the B & B's in
15 Ditmas Park and boom, boom, boom, boom, boom they
16 file the complaints themselves--

17 CHAIRPERSON WILLIAMS: [interposing] Or
18 West Midwood.

19 DONALD MADISON: and they come to get us.
20 Sorry, West Midwood, Ditmas Park.

21 ROBERT SEIDEL: Beverly Square West.

22 CHAIRPERSON WILLIAMS: I did want to--
23 because I remember I was the Housing Director of
24 Flatbush Development Corporation that had some of
25 that area, but I do remember there were neighbors

1
2 that sometimes got a little overzealous with
3 complaints of illegal conversions. Are any of that
4 part of that, or you believe that you were targeted?

5 ROBERT SEIDEL: Well, we believe we were
6 targeted because on the same date, bed and breakfasts
7 that were listed that had open visible websites had
8 the same exact complaint, whether they were in--

9 CHAIRPERSON WILLIAMS: [interposing] I
10 see.

11 ROBERT SEIDEL: Bed-Stuy or Ditmas Park
12 or West Midwood, so throughout Brooklyn on the same
13 date. So it wasn't like a disgruntled upset
14 neighbor.

15 CHAIRPERSON WILLIAMS: I see. What's
16 the--for your five, what's the average room that you
17 have available?

18 SUE FISHKIN: We have two.

19 VANESSA MILANDO: Four

20 ROBERT SEIDEL: Two.

21 ELIZABETH MANJURANO: I'll have three.

22 DONALD MADISON: For our 15 members
23 overall, we have a average of three rooms.

24 CHAIRPERSON WILLIAMS: Thank you. I'm
25 very sympathetic, particularly with the one and two

1 family, even the three and four family. I did have
2 concerns when we start going up to six, that we may--
3 mixing that, we might be another set of problems.
4 What did you say the average amount of units are for
5 your--
6

7 VANESSA MILANDO: The average is five.
8 The Empire State Bed and Breakfast Association which
9 is a state B & B association says five is the number
10 for bed and breakfast to cap. And when we actually
11 did register, though, I think one of the things
12 that's important is that we don't comingle any
13 tenants and tourists, and that we carry the proper
14 insurance for liability for bed and breakfast and
15 that we registered with the state and the city. We
16 registered as a bed and breakfast business and pay
17 the taxes for that.

18 CHAIRPERSON WILLIAMS: Are any of the
19 buildings rent regulated or any of the units--

20 VANESSA MILANDO: No, and they have never
21 been.

22 CHAIRPERSON WILLIAMS: They've never
23 been?

24 VANESSA MILANDO: No.
25

2 CHAIRPERSON WILLIAMS: Okay. Alright. I
3 know my colleagues have some questions. We'll start
4 with Council Member Cornegy who I know this
5 particular in his district as well. Can we get five
6 minutes on, and--

7 COUNCIL MEMBER CORNEGY: I'm not--I won't
8 need that.

9 CHAIRPERSON WILLIAMS: Okay.

10 COUNCIL MEMBER CORNEGY: Because I feel
11 like there's no better question that I can ask the
12 way you've articulated what their concerns are, and I
13 certainly have heard them before today, and the way
14 you've eloquently articulated them from our
15 colleagues I think really there's no questions that I
16 have for you. So, I'm not going to give up my time
17 to Helen Rosenthal, though.

18 MONIQUE GREENWOOD: We would like to
19 thank you, though, for your support. We really
20 appreciate it.

21 CHAIRPERSON WILLIAMS: Put five minutes
22 on the clock for Council Member Rosenthal, please.
23 Not 10 minutes.

24 COUNCIL MEMBER ROSENTHAL: Two minutes.
25 I mean, it sounds like, you know, clearly you're

1 running great B & B's. I was joking with my
2 colleagues, joking with my colleagues that I would be
3 delighted to stay at any one of them, and then rent
4 out my home on Airbnb.
5

6 [laughter]

7 COUNCIL MEMBER ROSENTHAL: Just kidding.
8 Just kidding. Just kidding. Just kidding. I'm
9 never going to do that. So, but really it sounds
10 like you guys are every--what you're describing is
11 everything we want to support and want to make sure
12 continues to happen. The one note I put down to
13 myself is that we need to make it clear to the Office
14 of Special Enforcement that you are not the targets.
15 Its sounds--the stories that you tell are creepy, and
16 you know, I wonder who it is that's making your life
17 difficult, and I also wonder why you're losing
18 business and I wonder if it isn't--if we don't have a
19 common concern that Airbnb is in fact and other short
20 term rental platforms like that are not taking away
21 your business from your model. Your model is one
22 that I would go to great lengths to support.

23 DONALD MADISON: I would just like to add
24 that it is--as a small business owner, it is really
25 unsettling to actually be afraid to answer the

1 doorbell when someone comes to your house. I
2 actually have a sign on the inside of the door, which
3 must make my guests wonder whether or not they're
4 actually in a safe neighborhood, which says, "Please
5 do not open the door to anyone with whom you are not
6 personally acquainted." And you know, I live in Park
7 Slope on Prospect Park West. It's one of the safest
8 neighborhoods in the city, but we are afraid to open
9 our doors to strangers.

11 MONIQUE GREENWOOD: And let me say too
12 when we talk about just competition, it's not a level
13 playing field. When I have to charge 16 percent tax
14 to my guests and the people down the street don't pay
15 any of that tax, I've added 40 dollars to their stay
16 at my place for the night, and that's money that
17 could go to a meal. So, you know, it's an unlevelled
18 playing field and it does complicate our business
19 model.

20 VANESSA MILANDO: You done? One thing I
21 wanted to say about the people I've spoken with over
22 the past couple of years. I was lucky enough to meet
23 with Kathleen McGhee twice over the issue, explain
24 things, get questions, and at some point something
25 was brought up about the Department of Finance and

1 who's registered and who hasn't registered, and from-
2 -I tried to find that information out, because I
3 remember Kathleen saying, "Well, if I knew what type
4 of universe we were talking about I'd feel, you know,
5 better that it is such small as you say it is." I
6 tried to get that information from the Department of
7 Finance. I still have the letter that says literally
8 that it is secret information, and they cannot tell
9 us who has registered. So, I asked her to try and
10 find that out, because from what I understood the
11 city did want to help everyone I met with. My
12 Council Member is Dan Garodnick. He knows me well,
13 and also Mark Weprin knows me well, and they're very
14 supportive, and my Assembly Member Dan Quart, but we
15 couldn't get that information. So it was just my
16 word saying, look, there's very few of us, less than
17 a half dozen in Manhattan anyhow.

18
19 COUNCIL MEMBER ROSENTHAL: I mean, to the
20 extent that we can be helpful on that, please let
21 Council Member Cornegy and I try to help out.

22 VANESSA MILANDO: Okay. I, you know, I
23 think you'll find it's a really small group, so you
24 know.

2 COUNCIL MEMBER ROSENTHAL: Yeah. Sounds
3 like a no-brainer.

4 CHAIRPERSON WILLIAMS: Thank you very
5 much. Just for clarity, most of the violations you
6 talked about were ECB, correct?

7 VANESSA MILANDO: Yes, most of them were.
8 It was occupancy contrary to C of O.

9 CHAIRPERSON WILLIAMS: That's DOB?

10 VANESSA MILANDO: Yeah. Well, actually,
11 all violations that you pay money for are all at the
12 ECB Court and they're all Department of Buildings.
13 If you get any fire code violations like not having
14 sprinklers in each individual room--we have them in
15 the hallways, and we have emergency lighting and all
16 that, but if you get a Fire Department violation,
17 interestingly enough, there is no fine associated
18 with it. You're told to correct it, and there's no
19 fine associated with it. Some of the times it can be
20 corrected, like if there's an exit sign you can throw
21 one up, but in many cases it can't because they use
22 the hotels to make their rules. So, yeah, so the
23 Department of Buildings is the only one who makes
24 money in ECB Court.

1
2 CHAIRPERSON WILLIAMS: Well, thank you
3 very much for your testimony. I would say I know that
4 Airbnb is using certain folks to try to pump their
5 business model up. It might make sense to try to
6 help us fix the illegal problem, because some people
7 are getting mingled in that shouldn't be, and I think
8 many of you, particularly low occupancy folks are
9 getting mingled in--as people, we want to actually
10 kind of protect that business, but when they keep
11 pushing that forward, that's not who we're trying to
12 actually go after. So you may want to think about
13 how you might be able to assist us in making sure
14 that the bad actors are weeded out.

15 VANESSA MILANDO: The Empire State Bed
16 and Breakfast Association, although they are outside
17 of the city, they represent mostly rural B & B's, but
18 they also represent us, and I'm on the board, we're
19 coming--we came up with an idea where if all bed and
20 breakfasts had to register, let's say with them, it
21 would be sort of like the Bar Association, and we
22 could help to self-regulate our own industry, because
23 no one suffers more when it's an unlevelled playing
24 field than we do. My business is down 19 percent
25 this year. So the idea was brought up and we wanted

1
2 to find out who would put a stamp on that to say,
3 "Okay, this is an official association of New York
4 State. You'll get inspected. You'll get a number,
5 and that number if you don't have it, you're not
6 legal." That was an idea.

7 CHAIRPERSON WILLIAMS: Feel free to reach
8 out to my office and I'm sure Council Member Cornegy
9 as well, but can someone from the housing staff make
10 sure we get her information? I'd love to follow up
11 with you on the idea to see what it is, it looks
12 like. Your photos are with the Sergeant of Arms. You
13 can get it back from the Sergeant, the photos you
14 gave us.

15 VANESSA MILANDO: Oh, okay.

16 CHAIRPERSON WILLIAMS: If anyone else has
17 something to give to us, please give it to the
18 Sergeant of Arms and he'll make sure that we get it.

19 MONIQUE GREENWOOD: Could I just add that
20 in my testimony I've included the laws as they exist
21 in Washington, D.C. to serve as model as well, and in
22 D.C. which is another urban environment, a single
23 family resident as a matter of right can have up to
24 two rooms, not boarders, but two rooms as a bed and
25 breakfast, and if you are in historic district and a

1 contributor to that district, because this is also
2 about preserving housing stock, traditional
3 historical homes and properties that will then become
4 torn down and made into condos and all of that, it's
5 all there and they've looked at all of those. So you
6 do have that as part of the testimony.
7

8 CHAIRPERSON WILLIAMS: Thank you very
9 much. And I thank you for your testimony. So we had
10 a total of 20 panels sign up. We're about to start
11 panel number seven. So we're going to do what we can
12 do to speed up some of the testimony. It'll be
13 helpful if some folks, if you've heard what you
14 wanted to say, it'd be nice to say that, and maybe
15 not read through your testimony. Next we're going to
16 have a panel of advocates, Marti Weithman, Delsenia
17 Glover, Sarah Desmond, Betsy Eichel, Ellen Davidson,
18 and Tom Caylor [sp?]. Please step up. So we should
19 have Marti Weithman from Goddard Riverside, Delsenia
20 Glover from Tenants and Neighbors, Sarah Desmond from
21 West Side Neighborhood Alliance, Betsy Eichel, HCC,
22 Housing Conservation Coordinators, Ellen Davidson,
23 Legal Aid Society, Tom Caylor, West Side Neighborhood
24 Alliance. Is everybody up? If you--there's another
25 seat over there.

[off mic]

CHAIRPERSON WILLIAMS: Sure. Can everyone please raise their right hand? Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee and to respond honestly to Council Member questions?

UNIDENTIFIED: Yes.

UNIDENTIFIED: Yes.

CHAIRPERSON WILLIAMS: We will have two minutes on the testimony clock, if you can please try your best to stick to that, and you can start in whichever order you prefer.

TOM CAYLOR: I will try to be quick, Chairman. I'd like to answer Council Member Rosenthal's question to Airbnb about them providing information to the city in which the city could then use to make decisions about who's being hurt, who's not being hurt. This is an article from the Willamette Weekly. Now, many of you may not realize that the city of Portland, Oregon is on the Willamette River. Now, Portland, Oregon also made an agreement with Airbnb that they would open up all of their residential housing to short term rentals. And now, what Oregon, what Portland, Oregon has realized

1
2 is though they made this deal with Airbnb and they
3 are now a share city, Airbnb refuses to give Portland
4 the information on their short term residents that
5 are signed up with Airbnb. In fact, and I quote,
6 "Airbnb sent a lobbyist to the City Council hearing
7 to object to new rules compelling the company to
8 provide the addresses and city permit numbers of its
9 hosts." This is who we're dealing with. We make a
10 deal with Airbnb and they will screw us just like
11 they screwed Portland, Oregon, a share city. That's
12 the reality. Thank you.

13 CHAIRPERSON WILLIAMS: Thank you. Are
14 you from Brooklyn?

15 [laughter]

16 CHAIRPERSON WILLIAMS: I'm just checking.

17 TOM CAYLOR: Hell's Kitchen.

18 CHAIRPERSON WILLIAMS: Alright. Thank
19 you very much.

20 DELSENIA GLOVER: Good morning--good
21 evening. Thank you to Chair Williams and the Housing
22 and Buildings Committee Members for the opportunity
23 to testify today. My name is Delsenia Glover. I am
24 with New York State Tenants and Neighbors Information
25 Service and New York State Tenants and Neighbors

Coalition, two affiliate organizations that share a common mission, to build a powerful unified statewide organization that--

CHAIRPERSON WILLIAMS: [interposing] Go Tenants and Neighbors.

DELSENIA GLOVER: I'm sorry? Alright. To preserve affordable housing, livable neighborhoods and diverse communities, and strengthens tenant protections. The information service organizes tenants and at-risk and rent regulated and subsidized housing, and organizes administrative reform campaigns. The coalition is a 501c4 membership organization that does legislative organizing to address underlying causes of affordability. We organize in Mitchell-Lama, rent regulated and project based section eight housing. Although short term rentals are promoted as supporting low and moderate income tenants to help pay increasingly unaffordable rents, this practice plays out with vast detrimental effects. Many of the up-raises of short term rentals are in fact landlords who are warehousing affordable rent regulated apartments and exacerbating an already significant affordable housing crisis. This year, in particular, is significant for the affordable housing

1 movement because rent laws sunset in June 2015. We
2 are here to stand against the practice of warehousing
3 apartments, of operating apartments as illegal
4 hotels, and of breaking the terms of the law that was
5 one in 2010 with advocacy from the tenant movement to
6 restrict illegal hotels. Rent regulation is the
7 largest source of affordable housing for low and
8 moderate income tenants. The city has lost hundreds
9 of thousands of affordable units, and tenants are
10 increasingly unable to pay their rent. Illegal hotel
11 legislation was an important step forward in the
12 struggle to preserve affordable housing. Airbnb
13 practices take us backwards and intensifies the
14 crisis. My time is up, and I thank you for the
15 opportunity to testify today. If anybody doesn't use
16 their two minutes, I'd like to--you can give it over
17 to me. Thank you.

19 MARTI WEITHMAN: Good afternoon, Chair
20 and members of the Committee. My name is Marti
21 Weithman, and I'm the Director of Goddard Riverside
22 SRO Law Project. Our office provides free legal
23 services and organizing support to low income, single
24 room occupancy, and apartment tenants on the West
25 Side of Manhattan. Illegal hotels first started to

1 appear over a decade ago in residential SRO buildings
2 on the Upper West Side. Because of their layout,
3 SRO's are conducive to being used as transient hotels
4 or hostels. Landlords put bunk beds in rooms and fill
5 them with European backpackers looking for hostel
6 like accommodations. Landlords rent these rooms on a
7 nightly basis, collecting what would be the lawfully
8 allowable rent for a room in just a couple of days.
9 With the incentive of such enormous profits,
10 landlords force out permanent rent stabilized tenants
11 through systematic harassment. When our office first
12 started hearing complaints from tenants over a decade
13 ago, it was about the quality of life, it was about
14 harassment and safety and security concerns. Now,
15 perhaps the most damaging impact that we've seen
16 illegal hotels have on our communities is the loss of
17 affordable housing and the use of residential
18 buildings for short term rentals removes desperately
19 needed affordable housing by restricting the supply
20 and driving up rents. While our laws here in New
21 York are varied and complex, they are good reasons
22 for the reasons that our government regulates
23 housing. And as was said by many people before me,
24 so I won't get into the laws, you know, we do have
25

1 these strong laws to protect New Yorkers and to
2 protect tourists who are coming to our cities. I
3 just want to touch on the enforcement piece. We did
4 hear from the Mayor's Office of Special Enforcement
5 this morning, and I just want to commend them for
6 their incredible work. They really have done so much
7 in enforcing against illegal hotels. I think it was
8 made very clear that they could use some tools and
9 some maybe stronger laws to help them be more
10 proactive. I think we should really heed the
11 expression of Fire Chief Jensen in his comments. And
12 I just want to also raise the point that they made
13 about the lag time between complaint and inspection,
14 because we did foil data from OSE last year, late
15 last year, so we have data through August, which does
16 show a difference of, you know, anywhere from 24
17 hours to up to two months that it would take from
18 complaint to inspection. So there does seem to be
19 some discrepancy, but again, we really support the
20 council and working with OSE to try to give them more
21 tools that they could use. I'm not reading from my
22 testimony, but I also do talk about the loss of
23 affordable housing and looking at some specific SRO
24

1 buildings on the Upper West Side. Thank you very
2 much.
3

4 SARAH DESMOND: Good afternoon, Chair
5 Williams and Council Member Rosenthal. Thank you for
6 the opportunity to testify today. My name is Sarah
7 Desmond. I'm the Executive Director of Housing
8 Conservation Coordinators and like Goddard Riverside,
9 we also provide free legal services. We've been
10 working with Goddard Riverside and Westna [sic] since
11 2005 on this issue. It first came to our attention
12 as a quality of life issue, and we soon realized that
13 we saw the mass deregulation of our rent stabilized
14 housing stock in our community as a result of it.
15 So, at that time, initially when it started, it was
16 very localized. The platforms such Airbnb had not
17 yet been introduced. It was--they were advertised ad
18 hock on various websites of different third party
19 operators. Now, when you see the introduction of the
20 centralized platform, you're now seeing a whole host
21 of operators that have come into the picture, and
22 you're also seeing all communities across New York
23 City are actually experiencing this. So, while I'm
24 not going to go into a lot of the specifics, but the
25 affordable housing they are in my testimony. I go

1 through a number of buildings where we've seen those
2 units be mass deregulation. We've also experienced a
3 number of buildings where you have a handful of units
4 that are being used. So it's on all sorts the scale.
5 The one thing I did want to point out is that
6 subsequent to the Attorney General's report in which
7 they found that six percent of the users were
8 controlling 37 percent of the revenue and one third
9 of the units. There's been a sub--they removed 2,000
10 units from the site, and after that there's been a
11 subsequent data analysis that has been done on the
12 publicly available data on Airbnb's website. It was
13 done by a man name Tom Slee [sp?], and I just wanted
14 to introduce into the record the findings that he had
15 found in looking at publicly available information.
16 And this is after subsequent to the removal of the
17 2,000 units. You have 15,300 listings are for the
18 entire apartment, representing a net increase of
19 2,300 illegal hotel units from the year prior. You
20 have the number of users who are illegally renting
21 out two or more units on the site grew by about 700
22 users to 2,700 users, and more than--and 207 users
23 still control five or more units on that site. So,
24 you know, contrary to what they're saying, which is
25

1
2 also probably why they're not willing to release
3 their data and to really engage in a discussion.
4 Instead they're looking, you know, to--because
5 they've earned between I think it's up to 15 percent
6 per listing either from the host or from the guest on
7 each site. So they have absolutely no incentive to
8 pull illegal listings, because they get a percentage
9 of the booking. So whatever you pay for your entire
10 stay. So, thank you for your attention and thank you
11 for your patience in this.

12 ELLEN DAVIDSON: Good afternoon. I'm
13 Ellen Davidson. I'm a Staff Attorney at the Legal
14 Aid Society. We provide legal services to low income
15 New Yorkers in every five, all five boroughs,
16 possibly every zip code. And so I'm not going to
17 read from my testimony which you have, but I will say
18 that for us I think the most important number is
19 3.12, which is New York City's vacancy rate. We
20 expect get a new vacancy rate in a couple of months.
21 I think it's going to be low. But anytime you have a
22 movement that asks to deregulate tenant protections
23 to incentivize owners, landlords to take units off
24 the market so that they can rent, to turn apartments
25 into hotel rooms, we worry because we live in a city

1 in which tenants have very little power because
2 there's very little apartments, residential
3 apartments, and anything that attacks that only makes
4 things harder, only increases rent burdens for
5 tenants, only increases rents. And so we get nervous
6 when we see the incredible resources that Airbnb is
7 putting into its state lobbying campaign of three
8 lobbying companies they've hired to go up and try to
9 get a law that, you know, tenants rose to make
10 changes to, and now, you know, we have people power
11 on our side. We unfortunately don't have money. I
12 do want to say that the one thing that really
13 disturbs me is that so many of the--forget the laws.
14 So many of the rentals that are going are illegal
15 based on the rent stabilization law or condo and co-
16 op rules, and the increase of these rentals has led
17 to huge dockets in the housing courts. Has nothing
18 to do with the law, I mean, the illegal hotels, it
19 has to do with the rent stabilization law. Rent
20 stabilized tenants can't profiteer form the rent
21 stabilized apartments, and when they rent on our
22 Airbnb it's kind of impossible for them not to. And
23 many of them go into it naively, and many of them are
24 going to lose those apartments for themselves, and
25

1
2 once they lose those apartments, those apartments are
3 lost. Thank you.

4 BETSY EICHEL: Hi, everyone. My name is
5 Betsy Eichel, and I'm a tenant organizer at Housing
6 Conservation Coordinators, and I just wanted to kind
7 of talk a little bit about what I'm seeing as an
8 organizer, particularly on the west side. I know
9 that Airbnb speaks about how they want--how most of
10 their hosts are, you know, just people trying to make
11 ends meet, or you know, it's not a business to them,
12 it's just something that they do to make some extra
13 money and enjoy the experience of hosting, but the
14 fact is that what I'm seeing are many landlords in
15 particular who this is an extremely lucrative
16 business and there is--there are ways that Airbnb can
17 do something about it, and I don't really see them
18 doing it. I just wanted to read a little bit of the
19 testimony of a neighbor of Audrey Smaltz who
20 testified this morning. He also resides at 15 West
21 55th Street, and he and his neighbor's lives have
22 been made extremely difficult by the illegal hotel
23 business that's pretty much overrun their building,
24 and I think it goes beyond just the public safety
25 concern, although those are very valid and worry them

1
2 immensely, but the time spent in ECB and pursuing
3 this has been extremely disruptive and not to mention
4 in making those units available to transient guests,
5 they also are neglecting the needs of the long term
6 tenants, the long term rent stabilized tenants. I
7 also just wanted to quickly point out that this
8 warehousing apartments and wanting to take them out
9 of stabilization is a problem that predates Airbnb
10 and home sharing, but it's just another way for
11 landlords to take advantage of that loophole. And
12 then finally, I work on the West Side. I also live
13 on the West Side. As I mentioned, I'm a tenant
14 organizer/social worker. I actually live in
15 Councilman Levine's district and I'm just concert
16 that people like myself--I live in a three bedroom
17 apartment in a very, very small unit. If that--if
18 everyone is encouraged to sort of monetize their
19 unit, that cuts off a lot of people like me who come
20 to this city to do good. But it's not often the most
21 lucrative. There's just not enough ways to stay in
22 the neighborhood aside from--like if everyone's
23 monetizing their unit it can have unforeseen
24 consequences. Thank you very much.

1
2 CHAIRPERSON WILLIAMS: Thank you very
3 much for your testimony. I know my colleague has some
4 questions, so I'll allow.

5 COUNCIL MEMBER ROSENTHAL: Thank you very
6 much. I just want to thank each and every one of you.
7 You've been dedicated to this work for so long, and
8 just sticking with it, and the fact that you can
9 bring each of you your ten years of experience of
10 dealing with this and longer. It really makes all
11 the difference for people who are trying to set
12 policy, you know, get more funding, or more bodies,
13 more people working at OSE, and to protect our state
14 laws that make it so people wouldn't be allowed to
15 monetize their apartment and jeopardize so many
16 others. Turns out that, you know, we did a little
17 research, Audrey's--the people in Audrey's building
18 are renting through a platform called booking.com.
19 So if it's not Airbnb it's another one, which is--
20 sort of gets to the point of, you know, how insidious
21 this problem is. And I just want to ask Sarah in
22 particular, I really appreciate your bringing up the
23 data ageing. You know, it was challenging to try to
24 get from Mr. Hantman any acknowledgement of the
25 numbers, and do you feel that he was--what I

1
2 appreciated was your saying the recognizing the new
3 data which was reported in today's post, I think,
4 about you know, showing that although Airbnb claims
5 to have taken 2,000 listings off, we're back up to
6 2,700 listings where landlords are renting out
7 multiple apartments. Do you want to give anymore
8 background information about that? I mean, I found
9 it, you know, just so disingenuous of this guy to
10 always be talking about, you know, the person who's
11 renting out for one weekend.

12 SARAH DESMOND: There's--yeah. There's
13 no question. I mean, and there's really no incentive
14 for them to sell the lease, because that's where they
15 get their dollars from. It's, you know, to me what's
16 startling is the total of units that are on Airbnb
17 went from 20,600 up to 25,700 during that one year
18 time, right? And during that time--

19 COUNCIL MEMBER ROSENTHAL: [interposing]
20 One more time, I'm sorry, I couldn't quite hear you.

21 SARAH DESMOND: It grew about 5,000
22 units--

23 COUNCIL MEMBER ROSENTHAL: [interposing]
24 In one year.

25

1 SARAH DESMOND: from one year ago, and
2 during that time they also said that they had taken
3 the 2,000 units off. The problem is I think it's--we
4 have no way of knowing whether or not they actually
5 removed those units. I mean, what we see as a
6 practice is we see units that are effectively taken
7 out of the rental market. You see that--I mean, in
8 Paris, actually there was a similar--they talk about
9 how they passed a law in Paris that allows people to
10 use their primary residence. However, in Paris what
11 they're seeing now is that two thirds of the units
12 that are being used are for people that are not using
13 it, they have taken a second apartment and they
14 suspect that two thirds of all of the apartments are
15 being used just as a way to earn money. And there
16 was a piece on the BBC, and I think NPR did a piece
17 on Paris as well. So that now Paris is actually faced
18 with a severe housing shortage, and it's becoming a
19 crisis there. I think, you know, we have to be
20 really careful about sites like this that remove the
21 units from our affordable housing stock or just our
22 housing stock overall.

23 COUNCIL MEMBER ROSENTHAL: Again, I just
24 really appreciate your support as we move forward in
25

1 trying to make sure that there's no weakening of the
2 2010 state law and that you continue to help us, you
3 know, in strengthen OSE to--because that's pretty
4 much the only tool the city has right now, and the
5 work that you're doing to protect the neighbors and
6 to protect tenants from, you know, accidentally or
7 inadvertently or without knowledge, you know, renting
8 out their homes on some sort of platform, but then
9 being evicted, we really appreciate that. So, thank
10 you very much. Thanks for waiting the entire day.
11 It's--you're doing great work.

13 CHAIRPERSON WILLIAMS: Thank you so much
14 for your testimony. I appreciate it. So we're going
15 to go onto the next panel. It is going to basically
16 be alternating between for and against. It should
17 have been for short term rentals and against, but it
18 looks like it's shaping up to in favor of Airbnb and
19 against Airbnb. But the next panel is Melissa
20 Chapman from Brooklyn Chamber of Commerce, Rachel
21 Donovan, Nan Doyle [sp?], Julia Winetraub [sp?], Ray
22 Licera, Josha Wright Greenberg [sp?]. It will be
23 followed by Corlene Longshalan [sp?], I probably
24 jacked that up, I apologize, from New York Hotel
25 Trades Council, Leslie Ann-Cooper [sp?], Stanley

1 Mart. The people that we asked to come up, Melissa
2 Chapman, and--one second. Any of these people here?
3 Rachel Donovan, Nan Doyle, Julia Wientraub, Ray
4 Licera, Joshua Wright Greenberg? Oh, that's cool.
5 Alright. We're going to keep moving forward then.
6 So Daniel Coeme [sp?], Evelyn Badia [sp?], Gayle
7 Decosta [sp?], Elle Laforge [sp?], Allison Green
8 [sp?], all the Airbnb people. Maybe they didn't fit
9 the--they realized it's not who we were talking to.
10 Alice Baret [sp?]? Alice Baret? Okay. What's
11 your name, ma'am? Alice Baret--well she can come on
12 the next panel. Ma'am, in the green? What's your
13 name? Ma'am? Laforge [sp?]? Laforge. So right now
14 we have Melissa Chapman, Elle Laforge, Gayle Decosta
15 and Alice Baret? What's your name? So we--just say
16 here. Melissa Chapman?

17
18 MELISSA CHAPMAN: Here.

19 CHAIRPERSON WILLIAMS: Elle Larforge?

20 ELLE LAFORGE: Here.

21 CHAIRPERSON WILLIAMS: Gayle Decosta?

22 GAYLE DECOSTA: Here.

23 CHAIRPERSON WILLIAMS: Alice Baret?

24 ALICE BARETT: Here.

25 CHAIRPERSON WILLIAMS: And Evelyn Bedia?

1 EVELYN BEDIA: Here.

2 CHAIRPERSON WILLIAMS: Thank you. Can
3 you all raise your right hand, please? Do you affirm
4 to tell the truth, the whole truth and nothing but
5 the truth in your testimony before this committee and
6 to respond honestly to Council Member questions?
7

8 PANEL AS A WHOLE: Yes.

9 CHAIRPERSON WILLIAMS: This is for--the
10 Chamber of Commerce is not up here?

11 MELISSA CHAPMAN: Yes.

12 CHAIRPERSON WILLIAMS: Yeah, that's what
13 I thought. Did you fill out two cards or one?

14 MELISSA CHAPMAN: Just one.

15 CHAIRPERSON WILLIAMS: I saw you listed
16 twice. Okay. Before--just everyone besides Ms.
17 Chapman, can you just tell me if you're in a one and
18 two family home or an apartment?

19 EVELYN BEDIA: One--two family home.

20 GAYLE DECOSTA: I'm in a single family
21 home.

22 ELLE LAFORGE: Single family home.

23 ALICE BARETT: Single family.

24 CHAIRPERSON WILLIAMS: Okay. So just so
25 you know, the focus on--I know you have the nice

1
2 Airbnb t-shirt, but we're really not focused as we
3 mentioned before, you are not in violation of the
4 law. You can feel free to give your testimony, but
5 the hearing is actually not about you unless you--
6 have any of you received violations?

7 EVELYN BEDIA: No.

8 GAYLE DECOSTA: No.

9 ELLE LAFORGE: No.

10 ALICE BARETT: No.

11 CHAIRPERSON WILLIAMS: Or fines? So
12 you're testifying--just so you know, you're
13 testifying and you're fine to, but the law doesn't
14 cover you. What you are doing is legal. So even
15 though you're here in support of Airbnb, it wouldn't
16 make sense because you are following the law. What
17 we are focused on today are those that are not
18 following the law. So I just want to be clear of
19 that. Any--

20 ALICE BARETT: May I ask a question?

21 CHAIRPERSON WILLIAMS: Sure.

22 ALICE BARETT: Would there be any point
23 in our testifying?

24 CHAIRPERSON WILLIAMS: No, but you can--I
25 don't want to--I don't want to stop you from

1
2 testifying, but there really is no point because the
3 one and two family homes are not covered by this law.
4 We tried to make that abundantly clear. We don't
5 want to take away your right to testify, but again,
6 I'm not sure what you'd be testifying about because
7 none of the laws cover you. You can feel free--I'll
8 ask Ms. Chapman actually to go first. And if--I'm
9 going to ask Ms. Chapman to go first, and if you
10 still would like to testify, you can feel free.

11 MELISSA CHAPMAN: Thank you. Good
12 afternoon, Chair Williams and Council Member
13 Rosenthal and other guests. My name is Melissa
14 Chapman. I serve as a Senior Vice President for
15 Public Affairs of the Brooklyn Chamber of Commerce.
16 The Brooklyn Chamber is a membership based assistance
17 organization which represents the interest of over
18 2,000 member businesses as well as other businesses
19 across the borough of Brooklyn. We applaud the
20 committee's effort in presenting this forum today
21 that seeks to evaluate the impact of short term
22 rentals on the economy and to address existing
23 concerns. From an economic standpoint, we are of the
24 view that legal short term rentals have the potential
25 to add significant revenue to neighborhoods by

1 boosting tourism, increasing foot traffic along
2 commercial strips and increasing support to cultural
3 establishments, especially in the outer boroughs.

4 For individuals that are unemployed or underemployed,
5 renting space within their existing guidelines of the
6 New York State law can provide a reliable source of
7 income that may not have otherwise existed. Airbnb
8 reported that in 2014 the Airbnb community in New
9 York generated an approximate 768 million in economic
10 activity and supports 6,600 jobs. Offering tourists
11 varied accommodation options is an important aspect
12 of tourism in New York City and Airbnb is an
13 alternative for tourists that want to experience New
14 York like a local. According to Airbnb, since 2008,
15 more than 26 million guests including 2.1 million
16 that have been to New York State have reported having
17 a positive experience traveling with Airbnb. Like
18 any other system there are gaps which much be
19 addressed so that positive economic impact and
20 stability in neighborhoods are no longer conflicting
21 ideas, but can exist side by side. Today's hearing
22 is a good start, as it continues much needed dialogue
23 on concerns and recommendations on both sides.
24 Finally, we urge the city and state law makers to
25

1 review Airbnb's offer to collect and remit tourist
2 taxes on behalf of their host, which would help close
3 any existing tax loopholes and provide an estimated
4 65 million in tax revenues to the economy. Thanks
5 again for convening this hearing and for having the
6 Chamber present at the table.
7

8 CHAIRPERSON WILLIAMS: Thank you. Anyone
9 else?

10 ALICE BARETT: I'll waste your time for
11 two minutes. I am a homeowner in Ditmas Park and my
12 husband and I are both artists, and while we were
13 lucky enough to be able to afford our home in the
14 city, like many others who didn't choose the
15 financial instability of the arts in the great
16 recession, we found ourselves struggling to make ends
17 meet. So we were very grateful when we discovered the
18 home sharing platform of Airbnb. Airbnb has
19 literally allowed us to stay in our home. We've been
20 hosting for three years and have had well over 100
21 guests from all over the world. Our guests have
22 included students taking courses over the summer,
23 parents helping their kids move into dorms or
24 attending graduations, and grandparents visiting
25 their newly born grandchildren. Our guests go out of

1
2 their way to express how glad they are to have a down
3 to earth New York experience in the local
4 neighborhood, eating in the local restaurants and
5 bars and shopping in the corner stores. We steer our
6 guests to particularly Brooklyn experiences that they
7 might not have considered such as Greenwood Cemetery,
8 Ruby's Bar on Coney Island or a ball game at Barclay
9 Center. Another unexpected pleasure is that we have
10 created many relationships with our guests if we are
11 very lucky enough to travel overseas we have a place
12 to stay as well. One of the main reasons we chose
13 Airbnb as our hosting platform was the social media
14 aspect of the website. Because we create a personal
15 profile informing our guests of who we are and what
16 we do, and because we have the opportunity to
17 communicate as much as we'd like with every potential
18 guests, we have had an overwhelmingly positive
19 experience as hosts. We have never once had the
20 feeling that we or our home was compromised.
21 Undoubtedly, this is because we have always hosted in
22 the way Airbnb intended, living in our home under the
23 same roof as our guests. I am well aware of the more
24 publicized face of Airbnb and have heard the horror
25 stories, and as a native New York whose grown

1 children can't afford to live in the city, I am
2 appalled and infuriated by these stories, and I
3 believe that the bad apples should be rooted out of
4 the system, and I have been assured by Airbnb
5 representatives that they intend to do that. I urge
6 the City Council and the state legislature to work
7 with me and other law abiding Airbnb hosts, not to
8 punish those of us who work legally, to punish the
9 few who don't. Let's work together so the
10 descendants of the immigrants who came to New York in
11 the 20th century to make it the greatest city on
12 earth can afford to live here in the 21st.

14 ELLE LAFORGE: Good afternoon. I'm Elle
15 Laforge. I'm a retired college professor who taught
16 at three different private universities, so no
17 pension, unfortunately. My career came to an end due
18 to serious illnesses that required several years of
19 treatment that left some residual debilitating
20 effects. I bought a house on Staten Island with my
21 husband in 2005 and we weren't aware that there was
22 water damage in the house. Once I became aware, I
23 realized I needed to fix this. I had no money. Took
24 out a loan, and started work on it as little bit as I
25 could do, and I hired a local handyman. And finally

1 the concept was to create a nice space for a guest to
2 stay and also to be able to use this space myself. I
3 had an experience with Airbnb myself. I went to
4 Denver to visit my daughter and stayed at an Airbnb
5 host's home in Denver. She was a single parent. She
6 had two or three guests in her single family house.
7 It was a lovely experience. I had lots of information
8 about Denver, and I was-- my experience was so
9 positive that I thought I could create a similar
10 experience for people traveling to Staten Island and
11 wanting to be on New York City on a budget, because
12 that was the main issue for me in traveling to
13 Denver. I couldn't afford the hotels in the downtown
14 district. So, being able to stay in someone's house
15 and also getting all the personal attention that I
16 got was very important. The income from my Airbnb
17 space paid for me to renovate that space in my house
18 and it also supplements my social security income
19 since I can no longer work. I'm a musician and I
20 also do free live performances in Staten Island, and
21 the Airbnb fees help pay for that. Currently I'm
22 hosting a medical student for six weeks who is on a
23 rotation at my local hospital, and other than her
24 I've had a wide variety of different guests who have
25

2 different backgrounds from all over the world, and
3 all of them have always told me, and I have written
4 reviews from them, that their experience is great
5 because of the personal attention that each and every
6 person got.

7 CHAIRPERSON WILLIAMS: Thank you. Going
8 to have to ask you wrap up, please.

9 ELLE LAFORGE: Okay. I live in the house.
10 I'm with the guests. I eat with them. I enjoy their
11 company and they enjoy mine, I would like to preserve
12 this capability. Thanks.

13 GAYLE DECOSTA: Hello, my name is Gayle
14 Decosta. I'm a 31 year old resident of the South
15 Bronx. It is a very up and coming neighborhood,
16 which would not be discovered by tourists without
17 Airbnb. I returned to the South Bronx in September of
18 2013 after the passing of my mother earlier that
19 year. It was now my responsibility to save the only
20 thing my mom had ever purchased after immigrating to
21 the United States. After a gruesome fight with my
22 mortgage lender, it was decided the house would go
23 into foreclosure. With no place or one to turn to, I
24 decided to start using Airbnb in April of 2014.
25 Though I had a few bucks saved up and a small cash

1
2 flow, there was no way I was going to save my mom's
3 legacy. To top it all off, only a few months later
4 my chronic health condition had gone from bad to
5 worse. I had two emergency surges in the matter of
6 two weeks, surgeries from which I still have not yet
7 recovered. My health condition and surgeries have
8 left me in a position of being unable to secure a
9 stable employment. Despite my circumstances, by
10 April, I mean, by July 30th, 2014, using my saved
11 income combined with monies from Airbnb I was able to
12 pull my house out of foreclosure as I walked into the
13 bank straight from my hospital bed. Had it not been
14 for Airbnb, I would not have had been able to recover
15 my mom's house. This would have been devastating at
16 it would have been like losing my mom twice. Airbnb
17 not only saved my home, but it also helped me to
18 recover from severe depression. Without Airbnb I
19 might have ended up in a mental institution from both
20 losses I would have suffered. My guests have been
21 phenomenal. They have uplifted my spirit and gotten
22 me out of the house prior to my surgeries. We have
23 gone shopping on Third Avenue, hung out at the Bronx
24 Zoo and taken walks to Yankee Stadium. I've had the
25 opportunity to cook with my guests while exchanging

1 cultural experiences. I have never had any problems
2 with any of my guests as I typically have extensive
3 conversations with guests prior to booking them.
4 I've mad fantastic friends who keep in touch via
5 social media, and some even go out of their way to
6 send wonderful holiday post cards. I love traveling
7 and meeting new cultures. However, since I am unable
8 to travel, Airbnb bring cultural experiences to me.
9 I'm fortunate enough not to collect any money from
10 the welfare system and I can still say I am a tax
11 payer. Without Airbnb, these things simply would not
12 be possible. Airbnb is wonderful considering all it
13 has done for me and other New Yorkers.

14
15 CHAIRPERSON WILLIAMS: Going to have to
16 ask you to wrap.

17 GAYLE DECOSTA: I'm pleading with you to
18 reconsider your position on Airbnb and I encourage
19 you to see the positives and be pro-Airbnb. Thank
20 you.

21 CHAIRPERSON WILLIAMS: Thank you.

22 EVELYN BEDIA: Hi. My name is Evelyn
23 Bedia. I live in Park Slope, Brooklyn. I don't want
24 to testify about my story because it's just like many
25 people. I lost my job in 2010. Airbnb saved my home.

1 I do not collect any money from the government, but
2 I'm able to pay my mortgage, only because of Airbnb.
3 I understand that there has been some issues. The
4 system is not perfect. And just like any new
5 industry there's bugs. There's people that try to
6 take advantage of the capitalism of it, because it is
7 a great way to make a living, which is what I'm doing
8 right now. In 2013 I had a job because I'm a
9 freelancer. The company went under. They never had
10 to pay me. Do I have any recollection [sic]? Can I
11 get any money from that? NO, because they were
12 protected, but so was my home because Airbnb was
13 there. I live with strangers. Was this my dream?
14 Never. At 48 years old I never thought that I would
15 have to be sharing my home that I bought with someone
16 else, but I'm able to do it because of the money I
17 make with Airbnb. I understand that you might have
18 some issues with them. I understand that you might
19 have some issues with their company or how they're
20 handling the business, but I do appreciate that
21 they're not giving you my information. I do
22 appreciate that. I've hosted people during Sandy. No
23 hotel in my neighborhood, and there's three of them,
24 was doing that. I had people that stayed that lived
25

1 in Staten Island that lost it all for 30 days in my
2 house without me making a dime. Exactly. Neither
3 myself nor Airbnb made money. And like me, there was
4 1,400 hosts that opened up our homes. You know why?
5 Because we know how to. We know how to host you. We
6 know how to host your parents. We know how to host
7 your family, and just like that, I'm able to open up
8 my home, not just to tourists and grandparents, but
9 also even to my neighbor's family. I'm going to wrap
10 it up. So I understand we're legal, but all the
11 conversation feels like we're not. And being from
12 Puerto Rico, I get a little passionate about that.

14 [applause]

15 CHAIRPERSON WILLIAMS: Please keep it
16 down.

17 GAYLE DECOSTA: Quick thing. I know we're
18 going back and forth and saying Airbnb's listing
19 illegal hotels, but I think we need to start holding
20 some of these proprietors responsible for what
21 they're doing, and also we've privatized a lot of
22 these housing so we have to take a look into what
23 we've done by privatizing the housing, because these
24 are housings that I can't afford. Like, my house is
25 not even affordable to me. And to think about what

1 the bank would have done, we've never been late until
2 my mom died, and then for me to fight with them and
3 in a few months they were willing to put me in
4 foreclosure, and that's a loan that was secured by
5 insurance, not once but twice. So I would have lost
6 the house, and they would have sold that to someone
7 who would have built something, and now that would
8 become housing that's not affordable to New Yorkers.
9 So we have to think about holding these proprietors
10 responsible and the funders, because the government
11 is funding these large companies to build these high
12 rises, and then they're making these houses
13 unaffordable to New Yorkers. So we got to think
14 about those things too.

16 CHAIRPERSON WILLIAMS: I agree.

17 GAYLE DECOSTA: And not just Airbnb.

18 CHAIRPERSON WILLIAMS: It's definitely a
19 complicated web. We agree. Thank you very much for
20 sharing your testimony.

21 GAYLE DECOSTA: Thank you.

22 CHAIRPERSON WILLIAMS: Just hold one
23 second. I just need to get some assistance here. How
24 many people are testifying in favor of Airbnb, please
25 just raise your hand. In favor of Airbnb if you're

1
2 testifying, please keep your hand up. How many of
3 you are one and two family home owners? Anybody one
4 or two family homeowners. Of the one and two family
5 home--please keep your hand up. One or two family
6 home owners, have you received violations? Anybody
7 receive violation? The others who are tenants,
8 please raise your hand up. Have you received
9 violations? Anybody receive violations? Yes? Yes?
10 There's nobody who is testifying on behalf of Airbnb
11 who have received violations? Yes?

12 [off mic]

13 CHAIRPERSON WILLIAMS: Okay, can you come
14 up, because I want to make sure not the next panel,
15 but the panel after. Can you just come up and stand
16 over there? Please. Is there anybody else that
17 received violations?

18 [off mic]

19 CHAIRPERSON WILLIAMS: Okay. Thank you.
20 So if people come up to testify, if you are--absent
21 what you're saying, but if you are actually like
22 these fine people and you are running a one and two
23 family home B & B or you are occupied in the tenant,
24 I'm actually going to cut the testimony down to one
25 minute, because we are not talking primarily about

1
2 you. You are actually doing it legally. If you have
3 received any violations, we'll bump it back up to two
4 minutes. That's kind of what we want to hear, but to
5 kind of hear the repeated story, it won't add
6 necessary value to what it is that we're trying to
7 get to today, but we don't want to take on anyone's
8 right and ability to testify. But again, if you are
9 one or two family home, particularly occupied or you
10 are occupied in the resident, if it's an apartment
11 that you are living in, what we are talking about
12 today primarily does not cover you. This is not
13 actually a Airbnb hearing, although it has been
14 turned into one. So, what we are focused on are the
15 illegal hotels. You guys are not running illegal
16 hotels, but I do appreciate your testimony. Did we
17 get her name? You're not going to be on the next
18 panel, but the panel after. I would say it leaves me
19 to believe based on the hands that were here that
20 there--someone mentioned the word scare tactic
21 earlier. I feel like there may have been a lot of
22 pressure to put out based on this hearing or based on
23 things that we might do might prevent one or two
24 family homeowners or people who are occupied in their
25 residence from renting their apartments or homes.

1
2 That is not the case at all, and I'm sorry if that
3 information was given out mistakenly. Are you a
4 three family homeowner? Are there any three family
5 homeowner, three and four family who will be
6 testifying? Three and four family? If you have a
7 three and four family can you please step up over
8 there please? Three and four family? [off mic] So
9 that young lady. Not--we're going to not do you now,
10 and the three and four families. Right now we're
11 going to call up Stanley Mart, Carlene--no, we just
12 did that. Didn't we just do that, no? Carlene--
13 thank you. Leslie Ann Cooper and Josh Gold [sp?],
14 and the young lady and the, I think its three people
15 who have three and four families, please get their
16 cards. Where's the--please raise your right hand. Do
17 you affirm to tell the truth, the whole truth and
18 nothing but the truth in your testimony before this
19 committee and to respond honestly to Council Member
20 questions?

21 UNIDENTIFIED: I do.

22 UNIDENTIFIED: I do, yes.

23 UNIDENTIFIED: Yes, I will.

24 CHAIRPERSON WILLIAMS: Thank you very
25 much.

2 LESLIE ANN COOPER: Is this on--

3 : We actually decided to--

4 CHAIRPERSON WILLIAMS: Sorry, we were
5 actually joined by Council Member Cohen for some
6 time.

7 : We've decided to cut our testimony to
8 just two of us are going to speak to make this go a
9 little quicker for everybody.

10 CHAIRPERSON WILLIAMS: Thank you.

11 LESLIE ANN COOPER: Good afternoon,
12 Council Members. Thank you for letting me testify
13 today. My name is Leslie Ann Cooper. I work as a
14 Service Express Agent at the Western New Yorker Times
15 Square, and I'm a proud member of my union the New
16 York Hotel Trade Council. I have lived in the
17 Leffert's Gardens for more than 20 years. When I
18 moved to New York from Trinidad and Tobago I lived in
19 Queens, the Bronx and Bed-Stuy Brooklyn before
20 settling into the neighborhood that I've called home
21 for two decades now. After all this time, living in
22 Leffert's Gardens, I never thought that I would be in
23 the situation I am right now. My lease is set to
24 expire this August, and I'm very worried that my new
25 landlord who took over the building in 2013 will not

1
2 renew it. I fear, and I repeat, I fear that I'm
3 going to be pushed out because now even small
4 apartments are being rented for 2,000 dollars and up.
5 I know that it's not my neighborhood. I know that
6 it's happening all over the city. Everyone I talk to
7 who is in the same predicament say the same thing,
8 that Airbnb is driving the rents up and pushing long
9 time residents out of there so that they can make
10 more money. I work very hard, and in my free time I
11 run a small business from my home that provides me
12 with extra income. Even though I have a good job
13 that pays me middle class wages and provides good
14 benefits, rents in my neighborhood have been rising
15 so high that very soon I will not be able to live
16 there anymore. It is obvious to me now and certainly
17 obvious to all my coworkers that having a good union
18 job that provides good wages and benefits no longer
19 means that you can afford to live in New York City.
20 I hope that our elected officials will recognize the
21 challenges we face and hold companies like Airbnb
22 responsible for the damages they're doing to our
23 neighborhoods. Thanks for this opportunity.

24 UNIDENTIFIED: Good afternoon. Thank you
25 to the committee, Chairman Williams and the rest of

1 the Council Members who joined us today. I'm going
2 to just read the beginning of my testimony and then
3 add some comments on what we heard earlier. The
4 35,000 members of the hotel trades council face a
5 dual threat from illegal hotels. On one hand,
6 residential apartment that house transient guests in
7 violation of zoning and other laws compete with legal
8 hotels on an unlevelled playing field. They typically
9 do not pay a commercial property and other taxes,
10 fail to maintain costly safety standards and pay no
11 or substandard wages. They push down room rates
12 citywide suppressing wages industry wide and
13 undermining worker's attempt to maintain their
14 standard of living. On the other hand, the wholesale
15 conversion of residentially zoned apartments into
16 illegal hotel space is contributing to the affordable
17 housing crisis that make it harder and harder for
18 workers to find a place to live and force working
19 class New Yorkers further and further from their
20 jobs. Until four years ago because of a loophole,
21 city law enforcement had been largely unable to shut
22 down illegal hotels, protect the legitimate tourism
23 industry and maintain the housing stock that is being
24 lost to this form of illegal conversion. Thanks to
25

1
2 the hard work of elected officials throughout New
3 York, including many officials who testified today,
4 that loop hole was finally closed and city
5 enforcement agents are at least able to do their job.
6 Two years ago, the Council increased fines at illegal
7 hotel operators so that the fines weren't just the
8 cost of doing business. Now, the Council should
9 consider increased funding for the Mayor's Office of
10 Special Enforcement so that the office has the tools
11 and capability to rid the city of large illegal
12 operators. Thank you for your time. Just a couple
13 of quick notes. We heard a lot of testimony about
14 the B & B industry, and I think it's important to
15 note that there should be steps taken that protect
16 those who want to comply with all laws and
17 regulations. We heard a lot of folks just testify
18 before who do comply with all laws and regulations,
19 and the B & B folks should also--there should be some
20 conversation about that. I would say those
21 conversations should make sure we don't open up the
22 loophole to the larger illegal hotel problem. I'd
23 also say that this council just a year ago passed
24 laws involving the fire egress systems. So a lot of
25 the fines on bed and breakfasts that happened from

1
2 2010 to 2013 are no longer possible because the fire
3 egress laws were changed for units, buildings of less
4 than 15 transient units. I'd also say we talked a
5 little bit about Paris for 30 seconds earlier. They
6 were brought up by Airbnb. Paris actually has an
7 Airbnb unit, 40 people whose fulltime job is to
8 enforce the illegal hotel law. We have a Office of
9 Special Enforcement who enforces nightclubs and
10 illegal cigarettes and sometimes enforces this, and I
11 think we were told that two cases were brought over
12 the past four years, and clearly that's not enough.
13 Thank you.

14 CHAIRPERSON WILLIAMS: Thank you very much
15 for your testimony. Thank you for coming up and for
16 waiting. So now I'm going to call people who signed
17 up for pro. They should be either people who have
18 received violations, have some other action against
19 them or in three or four family homes. If you do not
20 fit in that category and I call your name up, I'm
21 going to ask you to go back please to wait in the
22 line like everyone else. We have John Brave [sp?].
23 It just says Michael, four family. Shashana Benmoshi
24 [sp?] Gordon Chambers, Jennifer Tousi [sp?].
25 Michael, we're going to need your last name so we can

1 find the original card that you filled out. When you
2 go up you can say it. Again, I pulled you out
3 because either you had a violation, some other action
4 taken against you, but you are either owner-occupied,
5 meaning a rental or one and two family home or three
6 family, three and four family home. Do you affirm to
7 tell the truth, the whole truth and nothing but the
8 truth in your testimony before this committee and to
9 respond honestly to Council Member questions? Before
10 we do, just let me know what the situation is before
11 we begin.

13 UNIDENTIFIED: Speak into the mic, sir.

14 A: Three family home.

15 CHAIRPERSON WILLIAMS: I'm sorry, three
16 family?

17 A: Three family home, yes.

18 UNIDENTIFIED: Hi, I'm a renter who's
19 also a host. So I wasn't sure if--

20 CHAIRPERSON WILLIAMS: You're a host?

21 UNIDENTIFIED: I'm a host, yeah.

22 CHAIRPERSON WILLIAMS: And you, do you
23 rent the pro--you stay in there?

24 UNIDENTIFIED: I don't. I'm not there. I
25 rent out while we go out of town.

1 CHAIRPERSON WILLIAMS: Okay. Have you
2
3 received a violation?

4 UNIDENTIFIED: I have not.

5 CHAIRPERSON WILLIAMS: Are you in danger
6 of being evicted?

7 UNIDENTIFIED: I don't think so.

8 CHAIRPERSON WILLIAMS: So this is not
9 your panel.

10 UNIDENTIFIED: Okay, thank you.

11 CHAIRPERSON WILLIAMS: Thank you. And
12 you sir?

13 B: Four family.

14 CHAIRPERSON WILLIAMS: Four family?

15 C: Three family.

16 CHAIRPERSON WILLIAMS: Ma'am?

17 D: 90 units in an apartment building.

18 CHAIRPERSON WILLIAMS: 90 units in
19 apartment building.

20 D: And I am a renter.

21 CHAIRPERSON WILLIAMS: You're a renter in
22 the building? Are you a host?

23 D: Yes.

24 CHAIRPERSON WILLIAMS: You rent in the
25 building and you host. Do you live in the apartment?

1

D: I do.

2

CHAIRPERSON WILLIAMS: And you live there
while they're renting it? While--

3

4

D: I do part of the year. I have people
come in while I am there, and they're short term. I
also go out of the country for part of the year, and
those are more than 30 day renters. To my knowledge
I am not breaking the law, but you may change the law
in such a way that I may be entrapped in it, and I
want to make sure that that does not happen.

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CHAIRPERSON WILLIAMS: Well, if you are--

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17

D: Because what I have heard is that
even though I am there, because it is short term
rental like three days, three nights rather, that I
may be vulnerable to harassment. I am being harassed
as it is by one neighbor who has managed to--

18

19

CHAIRPERSON WILLIAMS: So let me just ask,
do you have any violations currently?

20

21

22

D: I am not breaking the law currently,
but that doesn't mean that the perception is not
that.

23

24

25

CHAIRPERSON WILLIAMS: So I'm going to ask
if you can--we're going to find out what your name
is. This panel isn't for you. This is for people who

1 have violations, fines or in a three or four family
2 homes. Thank you. It's okay, Thank you. And ma'am?

3 CAROL THOMAS: Three family--

4 CHAIRPERSON WILLIAMS: Three family.

5 CAROL THOMAS: Yes.

6 CHAIRPERSON WILLIAMS: Okay, thank you
7 very much. So let me get the list again to make sure
8 I know who's here. So, Carol?

9 CAROL THOMAS: Yes.

10 CHAIRPERSON WILLIAMS: Carol Thomas.

11 Gordon Chambers?

12 GORDON CHAMBERS: Yes.

13 CHAIRPERSON WILLIAMS: Jennifer Tousi?
14 John Bravo?

15 JOHN BRAVE: Brave.

16 CHAIRPERSON WILLIAMS: Brave, sorry. And
17 Michael, what's the last name?

18 MICHAEL: Just Michael. Just Michael.

19 CHAIRPERSON WILLIAMS: You signed up as
20 just Michael before?

21 MICHAEL: Michael, like Madonna or Cher,
22 just Michael.

23 CHAIRPERSON WILLIAMS: Okay, did you put
24 any other information on the first card?
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MICHAEL: I did, yeah.

CHAIRPERSON WILLIAMS: What did you put on the first card?

MICHAEL: As my name, just Michael.

CHAIRPERSON WILLIAMS: Okay, and then what did you put? Anything else? Just--

MICHAEL: I'm representing a trade group called STRAHA.

CHAIRPERSON WILLIAMS: Strong?

MICHAEL: STRAHA, S T R A H A.

CHAIRPERSON WILLIAMS: S T R A--

MICHAEL: H A.

CHAIRPERSON WILLIAMS: H A, STRAHA.

MICHAEL: Yeah.

CHAIRPERSON WILLIAMS: And Shashana Benmoshi? Okay, thank you. Okay, can you--you can start at any point that you'd like to at any order and you'll have two minutes for your testimony.

CAROL THOMAS: This is my story. My name is Carol Thomas, and I'm the owner of Just Because Hair Therapy Beauty Salon. I live and work in Fort Greene, Brooklyn. I was scared of losing my home and my business. You see, this was now a new economy and I was backed up in both my home and my business rent.

1 I was behind with bills and I needed help. A friend
2 introduced me to Airbnb and ensured me that there
3 should be no fear of hosting strangers in my home
4 because Airbnb had a reviewing and verification
5 system set up for both the host and the guest, and I
6 could ask as many questions before guest is accepted
7 or denied. Once the guests arrive, there is always
8 smiles because we are both very comfortable by this
9 with each other. Hosting allows me to recommend the
10 coffee shop that's just around the corner from me,
11 the cake shop that's on Myrtle Avenue, the
12 restaurants on Dekalb [sic] Avenue, and other small
13 businesses in the neighborhood who would see the tour
14 buses just go by without anyone stopping to support
15 them. I've been hosting for three years now without
16 incident and have made a few friends. Airbnb is
17 helping me to save my business and my home. I would
18 like for the City Council to work together with us in
19 making a reasonable decision. Thank you.

21 MICHAEL: Hello. My name's Michael, and I
22 representing STRAHA, the Short Term Rental and
23 Hospitality Association. We are a tiny group of
24 private brownstone owners who live in our homes and
25 wish to rent one or more units in our home on a short

1 term basis. Our members own their homes across the
2 city in Harlem, East Village, Brooklyn to name a few.
3 We do believe that there is real need for alternative
4 short term accommodation in New York, particularly in
5 neighborhoods underserved or not served by hotels.
6 Rather than destabilize these communities our
7 experience is that the right short term rental
8 actually strengthens them. They allow family members
9 form out of town to visit relatives and stay close
10 by. Our small businesses contribute economic and
11 social strength to the communities. They provide
12 affordable temporary accommodations for New Yorkers
13 affected by apartment renovations or difficult family
14 issues, or folks needing place to stay for less than
15 a month for work or for medical reasons. And of
16 course, our members meticulously restored brownstones
17 offer the local and personal travel experience
18 created by visitors from around the world, but the
19 tourism angle for us is just part of the story.
20 While the current conversation has centered on the
21 idea of a shared economy where every city resident is
22 a sometime Hotelier, what we have heard is the need
23 for a more traditional and dedicated model. Since
24 bill 1008 was passed in 2010, we have visited
25

1 continuously with State Assembly Members and Senators
2 in Albany as well New York City Council Members.
3 We've heard very real concerns, but we've also
4 generated substantial support for our specific
5 business model, which is really not unlike the bed
6 and breakfast panel that was before. Rather than
7 sharing, we understand that we are small businesses
8 selling a unique service to our customers. We just
9 want to make sure that you hear and consider the
10 merits of the amendment legislation that we at STRAHA
11 currently propose. We just believe that an onsite
12 homeowner dedicated 24/7 to their business can best
13 guarantee safety and quality of life for all the
14 residents in the building that I live in. We believe
15 only market rate, not rent stabilized or rent
16 controlled apartments, full taxes, evacuation
17 diagrams, liability insurance, and no more than four
18 units. That's pretty much it. Thank you.

19
20 GORDON CHAMBERS: Hi, I'm Gordon
21 Chambers, and I'm a three family owner and host in
22 Fort Greene, Brooklyn. I have an interesting
23 perspective to share today because I'm a landlord. I
24 own three family home, but my Airbnb units are within
25 my home. They're bedrooms within my home. I have no

1
2 desire to turn the apartments above me into Airbnb
3 units. I have resisted that, and I had that
4 opportunity, because I like having those apartments
5 be affordable to those tenants, and it works. During
6 the course of my--I heard about Airbnb at a dinner
7 party at Carol's home who lives across the street
8 from me, and I thought it was the most insane thing
9 to have strangers coming to your house, but I thought
10 about the fact that I'm a musician. I'm a world,
11 well-traveled, world traveling, well-known singer and
12 recording artist that has traveled the world. So, I
13 said I really do have an interesting perspective
14 because I've travelled the world, and to have people
15 coming to me, I have a lot to share and to talk
16 about. I also love the neighborhood. I support the
17 restaurants. I know the neighborhood, and Fort Greene
18 being the arts district, the cultural district of
19 Brooklyn, I know the inside outs and can share the
20 perspective. What unexpectedly happened is while I
21 was hosting, three months after hosting I found out
22 that my sewer pipe broke in the house, and then the
23 city came and put a three day cease and desist
24 telling me that I had to fix this 8,000 dollar
25 problem within three days or the water would be

1 turned off, nightmare for a homeowner that didn't
2 have 8,000 dollars cash. I was able to fix that. I
3 was able to fix my roof a year later, and then the
4 two big pipes that go into the street, both of them
5 broke. So being an Airbnb owner has helped me to
6 keep my home and deal with unexpected big repairs
7 that have come up. But most importantly, it's given
8 me a chance to meet and greet people from all over
9 the world such as grandparents, such as lawyers. One
10 of my guests who stayed with me 10 times is a lawyer
11 who actually comes, who used to live in Fort Greene
12 and comes to New York to help, you know, people like
13 tenants. So it's helped me to support people who not
14 only come to stay in New York for vacation, but also
15 are continuing to do very important work in the city,
16 and that's why I'm here just to share my perspective.
17 And the last thing I want to say is that as an
18 artist, I also work in an industry that's also under
19 siege. People who are artists are forced to be more
20 freelanced than we like to be, and trust me, I can
21 sing. There's a microphone and me, I feel like it. I
22 can really sing, but I don't get the singing jobs
23 that I should because the arts are under siege. So
24 this is a company that has helped me edify my life
25

1
2 and keep my home and provide great service to people
3 traveling.

4 CHAIRPERSON WILLIAMS: Thank you.

5 JOHN BRAVE: Yes, hello. My name is
6 John. They said just about what I wanted to say,
7 because I have a three family unit, and I worked a
8 job for like 20 years, but I didn't have any type of
9 pension plan or anything like that. So the short
10 term rental just helped me, you know, meet--make ends
11 meet. You know, you meet a lot of good people. The
12 people are friendly. The neighbors are friendly to
13 the guests. So, I mean, it should be regulated, but
14 it shouldn't be banned. If its taxes or whatever we
15 need to do to make it legal or to make it beneficial
16 for the neighborhood and the homeowners, then we
17 should do that, but we shouldn't ban it. And we
18 should, you know--it's a good opportunity to better
19 the community, because a lot of--I'm involved in the
20 community, so you know, it's beneficial to the
21 community. A lot of people in the local area
22 benefits because of people patronize the businesses
23 in the local area. So, you can regulate it, but
24 don't ban it.

2 CHAIRPERSON WILLIAMS: Thank you. Mr.
3 Chambers, how many units are in your building?

4 GORDON CHAMBERS: I live in a three
5 family home.

6 CHAIRPERSON WILLIAMS: Okay.

7 GORDON CHAMBERS: Yes.

8 CHAIRPERSON WILLIAMS: And so how many do
9 you--

10 GORDON CHAMBERS: [interposing] and in
11 within my part of the home, the duplex, there are two
12 guest bedrooms within it.

13 CHAIRPERSON WILLIAMS: Oh, I see.

14 GORDON CHAMBERS: Yes.

15 CHAIRPERSON WILLIAMS: Do any of you pay
16 taxes on the rentals?

17 GORDON CHAMBERS: Yes.

18 CHAIRPERSON WILLIAMS: Do you?

19 JOHN BRAVE: Yes.

20 CHAIRPERSON WILLIAMS: Do--and you charge
21 the person staying tax?

22 JOHN BRAVE: I actually have one flat
23 fee. I actually have one flat fee, and then I just
24 pay taxes.

1
2 CHAIRPERSON WILLIAMS: You pay taxes off
3 of that.

4 JOHN BRAVE: Off of that income, yeah.

5 CHAIRPERSON WILLIAMS: So thank you.
6 Have--none of you have received violations, however?

7 GORDON CHAMBERS: No.

8 CHAIRPERSON WILLIAMS: Again. So we're--
9 we do think the three and four there's a loophole
10 that perhaps we need to get the city's law to match
11 what the state law is, but that might be the problem.
12 We have to look more into it. I don't know if
13 there's unintended consequences, why they have it
14 like that, but the hearing wasn't meant necessarily
15 for--one, two families are not covered, and I think
16 you guys are kind of in a weird position, but again,
17 we don't think that the pressures we're trying to
18 apply are going to the three family homeowners
19 because they haven't been receiving violations. And
20 so if that changes, please let your Council Member or
21 the Committee or myself, my office know because we'd
22 like to just keep note of that, but we do want to
23 find a way to make sure particularly existing ones
24 are somehow safeguarded what might be a problem. But
25 in the end, we are sorry if there's misinformation

1 about the hearing that we were doing today and what
2 might be happening to you because of it, but thank
3 you very much for your testimony. Didn't know if my
4 colleagues had any. No? Thank you very much and good
5 luck.

6
7 GORDON CHAMBERS: [singing] Amen.

8 [laughter]

9 CHAIRPERSON WILLIAMS: Right now we're
10 calling up Richard Emelias [sp?], Bennet Baumer
11 [sp?], Kayla Rivera, Angie Courtereo [sp?], sorry,
12 Yanatan Tandali [sp?]. [off mic]

13 COUNCIL MEMBER ROSENTHAL: The Chair is
14 going to take lunch, and while he's here--while he's
15 doing that I'm just going to continue on with the
16 hearing. Hang on one second. So, just begin, either
17 side.

18 RICHARD EMELIAS: My name is Richard
19 Emelias, and I've been a permanent tenant of Imperial
20 Court on West 79th Street, a residential SRO building
21 since 2005. That same year I started my job as a
22 kindergarten teacher five blocks away. When I moved
23 in my neighbors were respectful, professional people
24 and our building was a quiet, clean, comfortable, and
25 safe place to call home. It was quiet until a

1
2 yearlong renovation gave way to a flood of tourists
3 coming and going at all hours, having parties and
4 blasting music and television. It was clean until
5 they disrespected the public kitchens and bathrooms,
6 began chain smoking on every floor, and left trash in
7 hallways attracting roaches and mice. It was
8 comfortable until elevators were monopolized by a
9 parade of sight seers and take-out deliver people,
10 until the laundry rooms overrun by a dozen maids, and
11 until the common areas became a place to host card
12 games or fornicate. It was safe before my neighbors
13 were run out and replaced with a revolving cast of
14 renters, before drug use forced management to put
15 locks on the bathroom doors, and before I had to
16 report prostitution to a doorman who was asleep in
17 the lobby. I have seen and lived through an amateur
18 and dangerous renovation, several harassing and
19 offensive office managers, and years of illegal short
20 term tenancies, all with the hope that one day the
21 city's government would come to the rescue of its law
22 abiding constituents. New York is where I live. I
23 accept that I share the streets, subways, theaters,
24 and restaurants with millions of residents and
25 visitors, but Imperial Court is my home. I don't

1 think I should be expected to share it with
2 strangers. I am an honest, hard-working citizen who
3 shouldn't have to sacrifice my peace, quiet and
4 safety so that my landlord can make more money.
5

6 COUNCIL MEMBER ROSENTHAL: I think--oh, we
7 are setting the clock. What's the--how many minutes?
8 Two, okay. Thank you.

9 RICH ROBBINS: Hi, my name's Rich
10 Robbins. The challenge of Airbnb is that when people
11 rent out their apartments, they're giving access to
12 their buildings to strangers and impacting neighbors,
13 yet the buildings have no ability to prevent
14 violations of building policy and New York law
15 without hiring private detectives and costly
16 litigation. I live in a small building on the Upper
17 West Side with just six units. The apartment next
18 door to me is rented out by the night. Every few
19 days we'd have a new person who said she was a
20 "friend of Deb", but when I asked how they knew Deb,
21 they had no answer. For months, we had people
22 waking, coming and going through the night, car
23 service cars honking at five in the morning,
24 marijuana smoke wafting through the halls, which was
25 always followed by the take out delivery waking us by

1
2 ringing our buzzer an our hour later. Worst of all,
3 on several occasions, the shower leaked and we had a
4 flood in our kitchen which is directly below the
5 bathroom. We once came home from being away
6 Thanksgiving weekend to a hole in our ceiling and
7 damage to our kitchen floor that still remains. Last
8 week at the Manhattan Community Board Seven on which
9 I serve as a member, David Hantman from Airbnb, their
10 charming head of public affairs who appeared before
11 us earlier this afternoon, said many of the same
12 practice lines. One thing he said was that the
13 majority, the vast majority of their hosts rent out
14 rooms only several nights a year, but if you do the
15 math, he also said that they bring 750,000 guests to
16 New York City and that they have 20,000 hosts. One,
17 if you one guest per night, that would be 37 nights
18 per year. Even if it's three, if they're doing
19 groups to a room, that would still be 12 and a half
20 nights per year that any host rents out their
21 apartment. He also talked about how they train hosts
22 to tell guests about fire code and being considerate
23 to neighbors, but he also talked about how they have
24 snowbirds and students who are away for the summer,
25 and they're just giving managing agents the keys to

1 the building, which are given out to strangers.
2 They're also a bit too clever in saying that it's up
3 to the buildings and the council to enforce laws,
4 when there's absolutely no way for a building to find
5 out if an apartment is being rented out by Airbnb or
6 another service, and they're very cagey [sic] about
7 that where they won't give information. So the only
8 way to get information is to get it from--by hiring
9 detectives. And they hide behind anonymity where
10 it's the only hotel in the world where you can't find
11 out the address until you've committed to it, solely
12 to protect them from being accountable for laws. And
13 a key thing, if the Council were to consider any
14 laws, the key thing is just making sure that they
15 release the addresses of where people are using
16 apartments as Airbnb's, so that buildings have a way
17 of knowing if their buildings are being used as
18 Airbnb. Thank you.

19
20 KAYLA RIVERA: Hi, my name is Kayla
21 Rivera, and I'm from the Goddard Riverside SRO Law
22 Project. Before you, you have testimony for Jesse
23 Zieu [sp?] from Imperial Court as well as Johnathan
24 [sic] from Cooper Square. I will be speaking to the
25 effects of gentrification in Brooklyn, New York where

1 I'm a resident. So in addition to being a tenant
2 organizer on the West Side of Manhattan, I'm a
3 resident of Bet-Stuy, Brooklyn. I live on one of the
4 busiest streets in Brooklyn which is Bedford Avenue,
5 and have witnessed the rapid and endemic
6 gentrification of the neighborhood that I call home.
7 We have witnessed the spread of illegal hotel
8 activity crossing into Brooklyn as neighborhoods
9 become hotspots for tourists looking to experience
10 cultural Brooklyn. What was once the mecca of
11 Caribbean and African culture and community has
12 become the home of tourists and landlords,
13 capitalizing on the popularity of these
14 neighborhoods. Areas like Bed-Stuy, Crown Heights,
15 Fort Greene, Bushwick, Sunset Park and even East New
16 York have seen tremendous loss in affordable housing
17 as well as an onslaught of tourist activity. The
18 Attorney General's report states that 40 percent of
19 all Airbnb's Brooklyn revenue comes from brownstone
20 Brooklyn or residential neighborhoods in some of
21 Brooklyn's most popular zip codes. This is
22 contributing to the rapid gentrification in
23 Brooklyn's neighborhood, systematically pushing out
24 long term low income tenants and bringing in
25

2 affluence. For instance, I live in Bed-Stuy. I share
3 a four bedroom apartment with five people. The real
4 estate index in neighborhoods like Bet-Stuy, Park
5 Slope and Fort Greene has increased by more than 26
6 percent from 2008 to 2014, and that's only been six
7 years. Most low income and working class New Yorkers
8 cannot afford to live in the city anymore. As the
9 cost of living continues to rise, the income index
10 does not. While many landlords continue to find ways
11 to increase their revenue, New Yorkers are being
12 pushed out of their homes. Over the years, the
13 affordable housing stock continues to be depleted as
14 rent stabilized units are being taken off the market
15 and converted into illegal hotels. It is unjust for
16 us to sit back and allow this to continue to happen.
17 I'm standing up today for New Yorkers who are asking
18 city and state legislators to make a commitment to
19 help us protect our neighborhoods and our homes. Keep
20 Airbnb out of New York City and urge Mayor de Blasio
21 to police illegal hotel activity, to give more
22 resources to OSE and to build more affordable housing
23 for New Yorkers. Thank you.

24 BENNETT BAUMER: Hello, my name is
25 Bennett Baumer, I'm an organizer at Housing

1
2 Conservation Coordinators on the West Side of
3 Manhattan, and in another panel some of the members
4 of the West Side Neighborhood Alliance will be
5 speaking about how they've experienced illegal
6 hotels, but in sum, we first saw this roughly 10
7 years ago on the Upper West Side in SRO buildings,
8 and it was a quality of life issue. Assembly Member
9 Rosenthal was here earlier. She even spent a night
10 at one of these illegal hotels and got on the TV. So
11 we passed the law in 2010, and then Airbnb comes
12 along and has been able to through their platform and
13 other players like VRBO and Home Away, there's been
14 an explosion of illegal hotel activity. And in some
15 of the buildings that I work with in Hell's Kitchen
16 along 49th Street, the Orbac [sic] tenants. Orbac has
17 recently been--he has been subpoenaed by the AG in a
18 separate issue, harassment of tenants. Never the
19 less, people--third parties know they can operate
20 illegal hotels there, and in fact, at a recent tenant
21 meeting that I was at one of the tenants came to me
22 and had just friends staying with him over the
23 weekend, and the building manager approached him
24 asking him about that, not to admonish him for
25 possibly renting illegal hotel, he wanted a cut. So

1 he was like, "If you're running an illegal hotel,
2 you're going to pay me, too." But some of the
3 quality of life issues have impacted the physical
4 state of the building, so they've done a lot of major
5 capital improvements and charged the rent regulated
6 tenants for that. A lot of that is just from tourist
7 rentals coming in banging up the place. And lastly,
8 I'd just say, it seems to be theme, that the city has
9 the tools to enforce the law, and they should do so.

11 COUNCIL MEMBER ROSENTHAL: Thank you all
12 so much for your testimony. Hang on just one second.
13 Particularly Richard and Richard, thank you for the
14 just giving the exact examples of what it is that
15 you're dealing with on a day to day basis. I think
16 that's incredibly helpful. So, thank you for--I mean,
17 to all of you, of course, for staying so late, but
18 that's sort of the critical nugget certainly for what
19 we're seeing on the Upper West Side. I'm wondering
20 two things. Have either of you called 311? I sort
21 of know the answer, but go ahead.

22 RICHARD EMELIAS: Yeah, multiple times.

23 COUNCIL MEMBER ROSENTHAL: And do you
24 know if OSE has--what the state is of OSE coming out
25

1
2 to issue violations or pursue a case against the
3 Imperial Court Hotel?

4 RICHARD EMELIAS: For a long time, the
5 answer I would get, I would get a, you know,
6 complaint number and then I would go to follow up on
7 that complaint number, and I--somebody had always
8 been sent out and found no evidence of illegal hotel.

9 COUNCIL MEMBER ROSENTHAL: At the
10 Imperial Court?

11 RICHARD EMELIAS: Yeah, even though
12 there's a concierge desk, but since then they've
13 stopped at least the volume of traffic that has come
14 in. Just recently I bumped into someone in the
15 hallway who was not a fulltime tenant, and I asked
16 him, you know--he was putting trash in the hallway,
17 and I said, "Can you please put that where it
18 belongs?" And then I called downstairs to the
19 manager, and she said that he was a member of the
20 family and that he was no longer there. So, he was
21 only there for the weekend, and I believe he was a
22 renter.

23 COUNCIL MEMBER ROSENTHAL: Yeah.

24 RICHARD EMELIAS: And at that point I
25 thought it was too late to call and report it,

1
2 because he was out. But they have not--to the volume
3 that they had been renting, they're not anymore.

4 COUNCIL MEMBER ROSENTHAL: So, I would
5 urge you to please call 311 every time regardless of
6 whether or not the person--

7 RICHARD EMELIAS: [interposing] Okay.

8 COUNCIL MEMBER ROSENTHAL: is checking
9 out--

10 RICHARD EMELIAS: [interposing] Okay.

11 COUNCIL MEMBER ROSENTHAL: that day. And
12 also, to call in that complaint number to our office
13 because we can follow up as well.

14 RICHARD EMELIAS: Should I still--I mean,
15 I can call a complaint in for--

16 COUNCIL MEMBER ROSENTHAL: [interposing]
17 Both, both.

18 RICHARD EMELIAS: Okay, great. Okay.

19 COUNCIL MEMBER ROSENTHAL: 311 and then
20 get the complaint number and send it over to our
21 office or to anyone, to your local Council Member's
22 office, because the Council Member can follow up on
23 that complaint number as well, and if there's
24 increasing activity at the Imperial Court again,
25

1
2 that's something that my office is very interested
3 in.

4 RICHARD EMELIAS: For sure.

5 COUNCIL MEMBER ROSENTHAL: So, thank you
6 for that.

7 RICHARD EMELIAS: Sure.

8 COUNCIL MEMBER ROSENTHAL: And Richard,
9 did you find out--

10 RICH ROBBINS: [interposing] Yeah, well
11 in our case it was--

12 COUNCIL MEMBER ROSENTHAL: where your
13 neighbor is renting on?

14 RICH ROBBINS: You know, I never found
15 out where she had been renting it on. She was a rent
16 stabilized tenant and when her landlord found out, he
17 hired a private investigator, found out that she was
18 actually living in Connecticut, and I don't--I'm not
19 sure what he did, but he got her to move out.

20 COUNCIL MEMBER ROSENTHAL: So she no
21 longer lives there?

22 RICH ROBBINS: So she's no longer living
23 there and it's no longer being used as a hotel.

24 COUNCIL MEMBER ROSENTHAL: Okay.
25

1
2 RICH ROBBINS: Obviously it's an
3 apartment that was a rent regulated apartment that no
4 longer is.

5 COUNCIL MEMBER ROSENTHAL: And so who's
6 responsible for fixing your property?

7 RICH ROBBINS: The landlord. Well, her
8 landlord, the owner of that apartment, and he did fix
9 the ceiling after a lot of our hounding him.

10 COUNCIL MEMBER ROSENTHAL: Yeah.

11 RICH ROBBINS: Fixing the floor is a
12 whole issue because you'd have to sand the entire
13 floor of the apartment, which isn't' really feasible.

14 COUNCIL MEMBER ROSENTHAL: And did you,
15 also did you call 311 or get any relief from the
16 Office of Special Enforcement?

17 RICH ROBBINS: No, because it's a small
18 building, so we know everyone. So we just took it to
19 the landlord.

20 COUNCIL MEMBER ROSENTHAL: Okay. So,
21 message again, call 311 to everyone immediately and
22 let your Council Member know the complaint number,
23 because we can help follow up on that. It's
24 outrageous what you're dealing with, and again, I
25 really appreciate all of you staying late to give

1
2 your testimony. Thank you. I'm going to call up the
3 next panel. So there are no more Airbnb folks?
4 Okay. So, can I just ask, if there is anyone here
5 representing the pro Airbnb side, I'd like to ask you
6 to come up, give your name and testify because we're
7 trying to go back and forth between the pro Airbnb
8 and the not pro Airbnb, or the anti Airbnb. So, I
9 know that Council Member Jumaane Williams made it
10 clear that, you know, we have no concerns with people
11 who are renting out their apartments legally, and
12 that's not what the--okay, so come on up. I don't
13 want--I want to make sure you have a chance to
14 testify. Just if you could give us your name so we
15 can find the slips. From Airbnb side, pro Airbnb.
16 Come on up.

17 SUSETTE SUNDAE: Hi.

18 COUNCIL MEMBER ROSENTHAL: I just want to
19 continue the process of back and forth. If you could
20 first just give me your name so we can--

21 SUSETTE SUNDAE: Sure.

22 COUNCIL MEMBER ROSENTHAL: find your slip.

23 SUSETTE SUNDAE: I'm Susette Sundae.

24 COUNCIL MEMBER ROSENTHAL: Say it again,
25 please?

2 SUSETTE SUNDAE: Susette Sundae, like ice
3 cream sundae.

4 COUNCIL MEMBER ROSENTHAL: Okay.

5 LYDIA SYLPHIES ROCKET: I'm Lydia
6 Sylphies-Rocket [sp?].

7 COUNCIL MEMBER ROSENTHAL: Okay, we have
8 you.

9 LYDIA SYLPHIES-ROCKET: Lydia Sylphies-
10 Rocket.

11 COUNCIL MEMBER ROSENTHAL: Yes.

12 LYDIA SYLPHIES-ROCKET: Wow, what a cool
13 panel.

14 LINDA LANDAVAR: Hello, my name is Linda
15 Landavar, and this is Mr. Calucian Landavar.

16 COUNCIL MEMBER ROSENTHAL: I know I've
17 been watching. Really cute. Oh, Linda Landavar. Oh,
18 okay. So that's complicated. Alright, so at a
19 deference to the Chair who wants to hear from you
20 specifically, I'm going to ask you to wait five more
21 minutes, and we're going to take another panel.
22 Yeah, I'm really sorry.

23 UNIDENTIFIED: Okay, no, that's fine.

24 COUNCIL MEMBER ROSENTHAL: I didn't
25 realize that.

2 UNIDENTIFIED: I'm glad someone wants to
3 hear from us. We appreciate it.

4 COUNCIL MEMBER ROSENTHAL: For the
5 record, we want to hear from you, and I meant to be
6 going back and forth, but out of deference to the
7 Chair who's not here, I'm going to call up another
8 pro tenant panel really quickly. Sorry about that. I
9 apologize for any confusion.

10 UNIDENTIFIED: No, thank you.

11 COUNCIL MEMBER ROSENTHAL: Matt Thomas,
12 Vivian Riffelmacher, Kathleen Cromwell [sp?], J.S.
13 Surillo [sp?], Pete Diaz, sorry, Matt Abuelo, and
14 Allison Tupper [sp?]. I know some of you are here, so
15 come on up. If you have testimony you can give it to
16 the Sergeant of Arms, otherwise just have a seat, and
17 if you could just start going, introduce yourself and
18 if you could limit your testimony to two minutes.
19 Again, I really appreciate your being here since 10
20 o'clock in the morning. And I know that you're going
21 to tell unbelievable stories, so thank you very much
22 in advance.

23 MATTHEW ABUELO: Thank you. Hi, my name
24 is Matthew Abuelo. I am a steering committee member
25 for the community activist group The West Side

1
2 Neighborhood Alliance and a volunteer organizer who
3 has worked against the malignant spread of illegal
4 hotels throughout New York City for the past 10
5 years. This scourge has been one of the reasons that
6 we've lost 400,000 once rent regulated units occupied
7 by working class New Yorkers. In 2010, those of us
8 who worked on this issue really believed we had
9 successfully beaten back this problem by working with
10 our representatives to push legislation through
11 Albany to strengthen the 1929 state multiple dwelling
12 laws. Now we face an even more serious and perhaps
13 insidious threat by outside groups such as Airbnb and
14 other operations which make up peers. Painting
15 themselves as a supposedly populous company, they
16 seem to care little about violating the laws put in
17 place to protect working rent regulated tenants from
18 being harassed out of their homes or wish to maintain
19 a quality of life which does not include dealing with
20 tripping over tourists and their baggage. Airbnb's
21 CEO Brian Chesky has stated that he and the rest of
22 the company are willing to work with public officials
23 in order for the company to follow our housing
24 regulations, but since day one they've done little
25 more than thumb their noses at the laws. In fact,

1 the latest report of Attorney General Eric
2 Schneiderman's office has shown that 72 percent of
3 their operations are illegal. In that, clients of
4 Airbnb are sub--alright, I'm almost done--subleasing
5 their apartments after less than 30 days, and that
6 these holders are nowhere on the premises. When this
7 was brought to Airbnb's attention their only response
8 has been to work harder to gut New York state housing
9 regulations for rent stabilized buildings by pouring
10 tens of thousands of dollars into upstate political
11 coffers. If this is allowed to continue, our
12 homeless problem, which is already the worst since
13 the Great Depression, will only get worse as
14 currently protected tenants will be kicked into the
15 streets. Furthermore, Airbnb and others of their ilk
16 purposefully misrepresented their clients about the
17 legality of subleasing in the city. Anyone who wants
18 to rent a room in their apartment while the tenant is
19 present is allowed to do so, but only with the
20 permission of the landlord. Renting out an entire
21 apartment while the resident absent is what violates
22 the law and makes Airbnb's hosts open to being
23 evicted by their landlords. In fact, separate from
24 the multiple dwelling laws, landlords have always had
25

1 this right to evict tenants who violate their leases
2 by subleasing their units without permission. As for
3 home owners, i.e., those who own their own houses,
4 and I know this has been mentioned, that this law
5 doesn't affect them one way or the other. So in
6 closing, please do not help these illegal hotel
7 operators spread further into the city or the
8 progress we've made since 2007 when we started our
9 campaign will be for not. Thank you.

11 VIVIAN RIFFELMACHER: Hi. Thank you for
12 having this hearing today and for letting us
13 represent--give us our histories. My name is Vivian
14 Riffelmacher, I'm also on the steering committee of
15 West Side Neighborhood Alliance, WESNA. Over 10
16 years ago in the spring of 2004 a new management took
17 over the residential building where we lived on the
18 Upper West Side and began running it as a commercial
19 youth hostel. We quickly realized this was a way for
20 management to make a lot of hard cash while making
21 life miserable for the rent stabilized tenants. Our
22 building rapidly became infested with backpackers
23 coming to New York to party and bed bugs. As a
24 result, I began volunteering my time as a tenant
25 leader and activist. This led me to the West Side

1
2 Neighborhood Alliance, which the group formed in
3 Hell's Kitchen in 2007. One of the central campaigns
4 was battling the spread of transient rentals in
5 residential housing. In the late 90's tourism had
6 become a booming industry, tenants were being
7 displaced, and buildings especially in Manhattan were
8 increasingly being cleared out and rented to
9 tourists. WESNA petitioned for more stringent
10 protections in residential housing and our state
11 elected pushed through the amended of the law in
12 2010. Aside from the hellish conditions created in
13 our building, safety was also a concern. One of the
14 worst excesses we saw in our building was dangerous
15 overcrowding. Often groups of as many as 20 young
16 people would stay in a room legally only big enough
17 to be occupied by two people. The doors in our
18 building like many residential buildings swing inward
19 against egress as a space saving measure. Hotel
20 doors swing out to allow rapid egress. Had there
21 been a fire or a similar emergency, it was only too
22 easy to imagine people getting crushed against a
23 front door trying to get out. This was not an
24 unusual situation. It was happening throughout the
25 city. We saw many one bedroom apartments being

1 illegally partitioned off to make multiple bedrooms
2 so as to accommodate more tourists. We've been very
3 lucky to have the public officials that we have
4 working so hard to make this happen, the 2010
5 amendment to the law and the increase in the fines.
6 A lot of people worked very hard to make this all
7 happen. It's distressing now to once again see so
8 much hard work being, you know, practically undone by
9 companies from out of town like Airbnb, eager to
10 increase the value of their company by snaring this
11 New York tourist market and pretend they're doing us
12 a favor in the process. We have more important
13 things to do than waste our money creating new
14 agencies to police the listings of a privately owned
15 company which is well aware its uses are breaking the
16 law. Residential housing and commercial hotels need
17 to be kept separate. Hard lines need to be drawn in
18 order to save a little bit of residential housing we
19 still have left, and tourists need to stay in places
20 specifically reserved for their use. I'm hoping we
21 can do this without having to barricade ourselves
22 behind electric fences covered with razor wire and
23 signs saying "Tourists go home." Thank you.
24

1
2 MATT THOMAS: Matt Thomas, West Side
3 Neighborhood Alliance. I live 54th and 9th Avenue.
4 I'd like to point out that's just a few blocks from
5 15 West 55th Street where a couple of testimonies
6 came previously, just to show how prevalent and
7 concentrated the problem is. Years ago, when I moved
8 in to the building tenants cam--excuse me--tenants
9 came to stay. Some even died of old age there, but
10 for the past several years it's all changed. Tenants
11 are constantly moving in and out. None stay long
12 enough for longtime residents to get to know them. In
13 fact, it's gotten so bad that the other day when I
14 ran into the long time 35 plus years super's wife in
15 the hallway, she commented that even she had no idea
16 who lived in the building anymore. That's because
17 there are very few fulltime tenants because there are
18 so many illegal hotels. Around five years ago I
19 began noticing all these strange people in the
20 building. The tourists came in with suitcases from
21 everywhere. I saw them come and go. They would
22 follow me into the building. They left doors open
23 with no regard to whoever might enter. They expected
24 me to let them in because they said that their
25 companions had the only key, something that shouldn't

1
2 happen with legitimate tenants. I wanted to ask who
3 they were, but at that point I'd always be asking
4 that question because there's never a time that
5 there's not a tourist in my residential building. My
6 building's no longer a residential building, a home.
7 Any sense of community among tenants has been
8 destroyed. Aggressive landlord tactics marginalize
9 tenants and illegal hotels are a matter to harass
10 tenants. I cannot say for certain that the landlord
11 is running the illegal hotels because the whole thing
12 is just too murky to me, but even before the illegal
13 hotels began showing up, the landlord had begun
14 converting the place into a short stay residence,
15 thereby preventing a strong stable tenant base that
16 could oppose his illegal actions against us. The
17 anonymity of tourists has killed the residential feel
18 of the building and compromised security. This
19 increases pressure on me being one of the few rent
20 regulated tenants still in residence. However, the
21 landlord very much had a presence. He had an office
22 in the building. In other words, the landlord knew
23 what was going on. I do not feel comfortable in the
24 building I have lived in for decades because of the

1
2 parade of strangers coming and going. I urge the
3 city to enforce the law and not to change it.

4 PETE DIAZ: Good evening, Council. My
5 name is Pete Diaz. I'm a member of the West Side
6 Neighborhood Alliance for I guess more than 10 years.
7 I'm also a tenant advocate, and I live in an SRO
8 myself, 301 West 48th Street. The number of issues
9 that have popped up in my building pretty much
10 similar to what the gentleman next to me has
11 mentioned. There are units that are being illegally
12 rented by some of the tenants themselves, creating a
13 situation where the safety of the residents in the
14 building are of my concern. Quite often you will see
15 some of the bathrooms misused, the front door of the
16 building broken, banging at night, and some residents
17 in my building suffer from asthma. Unfortunately,
18 some like to smoke pot and that creates a problem.
19 But the other issue is that in an SRO where there are
20 a number of bathrooms and showers that are allocated
21 per person, which is basically per room, becomes a
22 problem. Some of these units you have more than one
23 person that it's being rented to. So, you sometimes
24 will get three or four guests through either Airbnb
25 or one of these other sites, Craig's List, you don't

1 know, but it becomes a problem because now you have a
2 line at the bathrooms, and that is a problem,
3 especially when you need to get to work. The other
4 problem is the suitcases at night. You hear the
5 noise, the commotions, the loud music at times, but
6 you can't put the finger on the individual or the
7 company that they're using for as a host, and that is
8 a problem. My concern is for the safety. There are
9 stringent laws, sprinkler laws in place, fire safety
10 laws that apply to hotels. We need to apply them to
11 the SRO's as well. You just can't be doing this and
12 getting away with it. So, please acknowledge the
13 concerns of the residents in the community. Thank
14 you.

16 CHAIRPERSON WILLIAMS: Thank you very
17 much. Did everyone testify? Alright, thank you very
18 much for your testimony. You have questions?

19 COUNCIL MEMBER ROSENTHAL: Yeah, can I
20 just say one point? Vivian I just want to follow up
21 on your point which I really like and want to try to
22 think through this notion that private sector by
23 doing what they're doing and not taking
24 responsibility for their actions, the public sector
25 needs to step up and spend more of our resources--

1 VIVIAN RIFFELMACHER: [interposing]

2 Exactly.

3 COUNCIL MEMBER ROSENTHAL: to enforce the
4 law.

5 VIVIAN RIFFELMACHER: Yes.

6 COUNCIL MEMBER ROSENTHAL: And I just want
7 to continue thinking about that with you to see what
8 we can do if this private actor is not going to be
9 responsible, how do we charge him for, you know, not
10 doing what he was supposed to do and forcing us to do
11 it.

12 VIVIAN RIFFELMACHER: I appreciate you
13 calling attention to that. It really is a dilemma.
14 You have a privately owned company. They don't have
15 to do anything that we want them to, and we're stuck
16 with having to enforce the law on a city level based
17 on complaints because they are not policing their--
18 Airbnb is not policing their listings, and it's like
19 a whole grey area, so.

20 COUNCIL MEMBER ROSENTHAL: Thank you.

21 CHAIRPERSON WILLIAMS: Thank you very much
22 for your testimony. Thank you for my colleague for
23 allowing me to take a late, late lunch. It kind of
24 merged into dinner.
25

1 COMMITTEE ON HOUSING AND BUILDINGS 363

2 COUNCIL MEMBER ROSENTHAL: [off mic]

3 CHAIRPERSON WILLIAMS: Okay, thank you. I
4 think in England it's supper. Isn't it supper? One
5 of them's supper. One is dinner. Whatever. We're
6 going to call up Susette Sundae, Lydia Slyphies-
7 Rocket, Allison Green [sp?], and Linda Landavar. Can
8 you each raise your right hand, please? Do you
9 affirm to tell the truth, the whole truth and nothing
10 but the truth in your testimony before this committee
11 and to respond honestly to Council Member questions?

12 UNIDENTIFIED: Yes, I do.

13 CHAIRPERSON WILLIAMS: Thank you very
14 much. And now how many of you are hosts?

15 SUSETTE SUNDAE: I'm a host.

16 CHAIRPERSON WILLIAMS: Okay. And one or
17 two family?

18 SUSETTE SUNDAE: I--see, this is where it
19 gets confusing, because I feel like there's a lot of
20 different things that go on. I have two apartments
21 that I rent. I'm a tenant, and I have within those
22 two apartments I have two Airbnb suites. Okay.

23 CHAIRPERSON WILLIAMS: You own two
24 apartments?

25

2 SUSETTE SUNDAE: No, I rent them. I rent
3 two apartments.

4 CHAIRPERSON WILLIAMS: You--

5 SUSETTE SUNDAE: From two separate
6 landlords.

7 CHAIRPERSON WILLIAMS: Two separate units?

8 SUSETTE SUNDAE: Yeah.

9 CHAIRPERSON WILLIAMS: Are they rent
10 regulated?

11 SUSETTE SUNDAE: One--no. One is in
12 Bushwick.

13 CHAIRPERSON WILLIAMS: Okay.

14 SUSETTE SUNDAE: And one's in Bed-Stuy.

15 CHAIRPERSON WILLIAMS: Okay, so do you
16 live in any of them?

17 SUSETTE SUNDAE: I live in the one in
18 Bed-Stuy.

19 CHAIRPERSON WILLIAMS: So, according to
20 the law, the one you don't live in is not legal.

21 SUSETTE SUNDAE: Correct. However--

22 CHAIRPERSON WILLIAMS: Okay.

23 SUSETTE SUNDAE: The reason I got the
24 apartment--

1
2 CHAIRPERSON WILLIAMS: Wait, wait one
3 second. I just want to just get a better
4 understanding.

5 SUSETTE SUNDAE: Okay.

6 CHAIRPERSON WILLIAMS: And you?

7 ALLISON GREEN: Yes, I own my own home.
8 It's in a brownstone on the Upper West Side that's 20
9 units altogether.

10 CHAIRPERSON WILLIAMS: It's a 20 unit
11 building?

12 ALLISON GREEN: It is a 20 unit building.

13 CHAIRPERSON WILLIAMS: And how many of the
14 units do you do short term stay?

15 ALLISON GREEN: I actually just own my one
16 apartment, and I live in it while people stay.

17 CHAIRPERSON WILLIAMS: You live when
18 people stay, okay. Ma'am?

19 LINDA LANDAVAR: I live in Flushing,
20 Queens. I live in my family's home, so it's--

21 CHAIRPERSON WILLIAMS: [interposing] It's
22 a one family.

23 LINDA LANDAVAR: It's a two family.

24 CHAIRPERSON WILLIAMS: It's two family,
25 okay, alright. So, I may cut some of what you're

1
2 saying short if what you're saying has kind of been
3 covered, but I thank you very much for testifying.
4 You can start in the order that you prefer.

5 SUSETTE SUNDAE: Well, the thing that I
6 wanted to speak to is just the level of animosity I
7 sort of hear today towards Airbnb, and I, you know,
8 as someone who really loves it and has benefitted
9 immensely from it, obviously I want to say something,
10 you know, some positive things to sort of reinforce
11 the public opinion about it and the committee's
12 opinion about it, because it's--I think it's a really
13 vital thing. It, you know, we're in new territory
14 now. It's the 21st Century. Things like EBay
15 happened that changed markets. My store had to close.
16 I was a business owner, and I'm not saying that
17 because of EBay, but definitely that was a factor.
18 You know, I adapt. That's what this city is all
19 about. It's about changing, adapting, making things
20 work for you, and I think overall when used properly
21 these platforms are very viable, and they're very
22 vital to the community. I'm a musician and I
23 wouldn't have the time or, you know, resources to be
24 able to pursue any of the passions that I'm doing
25 right now except for the fact that I have income

1 coming in to supplement my rent from Airbnb. I got
2 the second apartment as a work space so that when my
3 store closed I had a place to sell online. I'd have a
4 place to continue sewing, which I do, and so I--even
5 though I don't live there, I am technically there. I
6 did--you know, it's not just an apartment that I rent
7 out. So, I guess my point is that, you know, on the
8 one hand I hear all these things about how negative
9 and horrible it is, you know, in so many respects,
10 and some of them I'm sure are viable arguments. These
11 people, the last panel that was here, I mean, I would
12 never want to diminish their experience, you know--in
13 any way disparage what they were saying or call into
14 question their honesty or anything like that, but I
15 think when used properly Airbnb is great. It allows
16 me to know who I'm renting to. Now, if I had a
17 roommate coming in, let's say, I wouldn't know who
18 the heck they were. These people, I have their
19 passport on file. I have their I-D on file. I've got
20 a two million dollar insurance policy and a policy
21 that covers damages to my house. I've had so many
22 roommates, pardon the expression, screw me over, and
23 I've lost thousands of dollars, and try to collect on
24 that. Airbnb has been great. If anyone doesn't pay,
25

1 shopping in Manhattan, and they were friends with all
2 of the shop owners on the street. These regulars
3 have since not been able to afford to live there, and
4 in the past four years I've seen them as buildings
5 turned hands, buildings that were rent stabilized and
6 rent controlled turn hands while the units in their
7 building went from two units combined to three units,
8 and they've had to move out. MY business has taken a
9 hit from actually the regulars in the neighborhood
10 moving out. The only reason my business has survived
11 is because of the tourists that also come and shop at
12 my business. I would not be here four years later
13 should it not be for also this small sharing
14 community where my customers come and they're staying
15 across the street down the block. And I believe this
16 speaks to the stimulating the economy or
17 destabilizing the neighborhood, because it was not
18 Airbnb that destabilized the neighborhood that I sell
19 in. It was the landlords pushing out the rent
20 stabilized apartments, and illegally converting to
21 apartments to three apartments where the rent from
22 mid thousand dollars to over 3,000 dollars. On one
23 of the buildings--I saw it happen in two buildings
24 one 164 Halfmire [sic] Street and also on 265 South
25

1 Second Street, and those were two gigantic buildings
2 on the block. Those blocks that were originally rent
3 stabilized or rent controlled that are now gone. I am
4 now also looking for a new neighborhood to be selling
5 at that I could capitalize on a tourist and a
6 neighborhood community to be maintaining my business.
7 And again, four years later I would not have this
8 story should it also not be the for the tourist
9 industry that has resulted from Airbnb.
10

11 CHAIRPERSON WILLIAMS: Thank you. Please
12 keep it down. Thank you.

13 ALLISON GREEN: Good evening. Thank you
14 for your patience in giving us a voice. My name's
15 Allison Green and I live on the Upper West Side. I'm
16 an average New Yorker, and I wanted to share my story
17 of how Airbnb has been an incredibly positive and
18 vital part of my being able to live in New York City.
19 I lived overseas for years. I moved back nine years
20 ago with a deposit ready to buy an apartment in the
21 city. However, I found both the job market and the
22 economy extremely difficult, and it actually took me
23 seven years of working extremely hard before I could
24 get a mortgage and buy my dream home. Six months
25 after moving in I found myself unemployed. Panicked

1 about losing my apartment I spoke to friends, and one
2 of them suggested that I host on Airbnb. I had never
3 heard of it, but after having seen how it was set up,
4 Airbnb made me feel very comfortable and safe, so I
5 listed the extra room in my apartment. That was two
6 years ago, and I was lucky to find a job two months
7 later, but since I had to take a pay cut, I decided
8 to continue hosting to supplement my income. Airbnb
9 was critical to my financial survival and it saved my
10 home, but I also found that I really enjoyed the
11 experience. I usually say that my Airbnb guests are
12 friends I just haven't met yet, and in many cases
13 that's exactly what they are. We email before they
14 arrive, and when they roll their suitcases through my
15 door, we greet each other like we already are
16 friends. So I welcome them into my home. I offer
17 them a drink and we sit down and I tell them where to
18 get the best coffee in the neighborhood or the most
19 amazing brunch as well as a list of neighborhood
20 restaurants. I think people mentioned the
21 neighborhood guide. I give that to them. They
22 usually have questions that I'm happy to help them
23 with before they head out to explore New York City.
24 Typically, the people that we see coming through are
25

1
2 so excited to see the city that most of them have
3 only dreamt of visiting, and in some cases that
4 didn't even think that they could afford to visit it.
5 I hear that often. I love helping them discover New
6 York City and their enthusiasm is absolutely
7 contagious. I found that I enjoy seeing New York
8 City through their eyes, and I pride myself on
9 ensuring that my guests have a great time. Airbnb
10 has been a financial necessity, but in exchange, I
11 think a lot of us have become some of the city's most
12 amazing ambassadors, giving visitors--

13 CHAIRPERSON WILLIAMS: [interposing] Going
14 to have to ask you to wrap up.

15 ALLISON GREEN: a glimpse of New York
16 City beyond Times Square. I've given you copies of
17 my reviews so that you can actually see what guests
18 are saying, and I just think that it's really
19 important to hear from some of the positive Airbnb
20 experiences.

21 CHAIRPERSON WILLIAMS: Thank you.

22 LINDA LANDAVAR: Can I grab the mic?

23 CHAIRPERSON WILLIAMS: Uh-hm.

24 ALLISON GREEN: Yes.

25

2 LINDA LANDAVAR: Hello? Okay. Hi, my
3 name is Linda Landavar. This is Mr. Calucian [sp?]
4 Landavar. That's my husband Robert and my daughter
5 Miss Nina Sophia, and we have been here since nine in
6 the morning.

7 CHAIRPERSON WILLIAMS: Where are they? I
8 didn't see them?

9 LINDA LANDAVAR: Robert, say hi.

10 ROBERT LANDAVAR: HI.

11 CHAIRPERSON WILLIAMS: And daughter? Hi
12 daughter.

13 LINDA LANDAVAR: She's on the iPad. What
14 else does a one and a half year old do? So we have
15 been here since nine in the morning. I have
16 exhausted all my diapers and my milk supply just to
17 make sure that I can have my say and make sure that I
18 can protect my way of life. Now, I also had
19 something written out and I'm sure you've heard all
20 the stories, and we're kind of done with that. And I
21 know that you're not attacking us, which is us the
22 two family home owners that are doing this legally,
23 but my worry right now is all the negative publicity
24 and the negative influence that is going on, and
25 really when I walked through the security gates and I

1 saw all those picketers and I saw people here saying,
2 "Down with Airbnb, and Airbnb should go from New York
3 City." it really scared me. I'm a freelancer. My
4 husband is a freelancer. When I started Airbnb two
5 and a half years ago, 247 good reviews ago, I was
6 doing very well. My husband and I were constantly
7 booked, and unfortunately now the company that always
8 booked us is hardly doing any business and is not
9 booking us, and as a mother of two, Airbnb is our
10 lifeline. It is keeping me afloat. I know you guys
11 are not attacking us, but my concern today is that on
12 the way to cracking down on illegal hotels and all
13 the things that you're going to do, it somehow is
14 going to affect us. It's going to provide a hostile
15 environment for the company of Airbnb, which in turn
16 might hurt us. So while you are considering your
17 legislation, please remember me, my son, my husband,
18 my daughter and my 247 good reviews. And these
19 people are people that probably would not have come
20 to New York if I couldn't offer them a nice room for
21 under 50 dollars, and then they can spend their money
22 in the local areas in Flushing with hot pot, bubble
23 tea, cut [sic] chicken, Pop's Diner--hey, you know.
24 And take the Number Seven train Downton instead of
25

1 definition are transient. So while it is beneficial
2 in some level, we have to make sure that the
3 apartments are there, are permanent for the
4 neighborhood or the whole neighborhood begins to
5 become something else, and we are very concerned
6 about them. We want to make sure that doesn't happen.

8 LYDIA SYLPHIES-ROCKETS: I agree, and if I
9 could have a sticker that said like "citizens for
10 more low income housing" like that would be my
11 sticker.

12 CHAIRPERSON WILLIAMS: Yeah.

13 LYDIA SYLPHIES-ROCKETS: Because we need
14 more low income housing, and as a result you're going
15 to hear lots of people pro Airbnb saying that this is
16 the way to keep them in their apartments because
17 there's nowhere, like, there's nowhere affordable to
18 rent.

19 CHAIRPERSON WILLIAMS: But again, if
20 there--

21 LYDIA SYLPHIES-ROCKETS: You know, and
22 again, like I said, it may not--

23 CHAIRPERSON WILLIAMS: [interposing] I got
24 it. If there--But I guess so we're clear, if they're
25 in their apartment we're not talking about them. We

1 keeping mixing it back and forth. If they're in their
2 apartment, we're not talking about them, and it does
3 help them, but and also--

4 LYDIA SYLPHIES-ROCKETS: Right. That's
5 true.

6 CHAIRPERSON WILLIAMS: We just want to
7 make sure, as we're losing the rent regulated
8 apartments, it is exacerbated if the units that are
9 there instead of trying to reclaim them as permanent,
10 they're being lower [sic].

11 LYDIA SYLPHIES-ROCKETS: Absolutely.

12 CHAIRPERSON WILLIAMS: And so, I'm sorry,
13 what's your name again, I'm sorry? Ms. Sundae?

14 SUSETTE SUNDAE: Yes.

15 CHAIRPERSON WILLIAMS: Oh, of course it
16 is, alright.

17 SUSETTE SUNDAE: I'm sorry, did you ask
18 me something.

19 CHAIRPERSON WILLIAMS: No, I did have a--
20 I know you did have a second apartment, so it is
21 actually--

22 SUSETTE SUNDAE: Yeah.

23 CHAIRPERSON WILLIAMS: Things like that
24 that we are concerned about.
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SUSETTE SUNDAE: Right.

CHAIRPERSON WILLIAMS: Was your apartment that you said you do work in, is it zoned commercial or zoned residence?

SUSETTE SUNDAE: No, it's, you know, it's a home office is the way I look at it, and actually it's interesting because that brings up another point was that--so what I did was I rented this huge apartment, and I basically rented--it had a bunch-- it's a weird place and it had a bunch of separate entrances and exits from various rooms. So, the ground floor I rent out to an artist. Now, she wouldn't have a place to go if it weren't for the fact that I rented this whole apartment. IT would to go to someone, that apartment because it's so expensive and large would have gone to I guess a wealthy individual, but in this case, an artist can pretty much reside there, do her work there. I can do--I have a place to do my work.

CHAIRPERSON WILLIAMS: Your artist in your second apartment--

SUSETTE SUNDAE: Yeah.

CHAIRPERSON WILLIAMS: is subleasing or is--

1 SUSETTE SUNDAE: Yes, that's right.

2 CHAIRPERSON WILLIAMS: So that's totally--
3 that's a totally different--

4 SUSETTE SUNDAE: Well, no, but then I
5 have an Airbnb additionally to that. All--

6 CHAIRPERSON WILLIAMS: [interposing] Your
7 Airbnb is where you live?

8 SUSETTE SUNDAE: within this one
9 apartment.

10 CHAIRPERSON WILLIAMS: I'm sorry. Your
11 Airbnb is where you live, or it's in the second
12 apartment?

13 SUSETTE SUNDAE: I have two Airbnb's.

14 CHAIRPERSON WILLIAMS: Okay, I understand.

15 SUSETTE SUNDAE: I have two listings.

16 CHAIRPERSON WILLIAMS: But just, I mean,
17 we are concerned if people have two apartments and
18 the one they're not living in is being used by
19 Airbnb. That is a concern--

20 SUSETTE SUNDAE: Right.

21 CHAIRPERSON WILLIAMS: because it does
22 take a unit off of the market, and may be in a place
23 that isn't necessarily zoned for that.
24

25

1
2 SUSETTE SUNDAE: Well, that's what I'm
3 saying. It does and it doesn't, because then I have
4 another portion of that same apartment that I have
5 another--I have an artist living in, so.

6 CHAIRPERSON WILLIAMS: Yeah. But you said
7 it's a home office, and it's not--

8 SUSETTE SUNDAE: [interposing] And I have
9 a home office.

10 CHAIRPERSON WILLIAMS: It may not be zoned
11 for commercial use. I mean, it gets--I understand.

12 SUSETTE SUNDAE: I know.

13 CHAIRPERSON WILLIAMS: But we just want
14 to focus--

15 SUSETTE SUNDAE: [interposing] But the
16 point is I was able to keep my business.

17 CHAIRPERSON WILLIAMS: I gotcha.

18 SUSETTE SUNDAE: And Airbnb helped me do
19 that, and for that I will be forever grateful, and I
20 think we should look at it as a really positive
21 thing. A lot of positive has come out.

22 CHAIRPERSON WILLIAMS: We're not concerned
23 about particularly the people that testified here as
24 well, but Airbnb helping to push that business along,
25

1 we are concerned about Airbnb their pushes illegal
2 units, and so I just want to make sure.

3
4 SUSETTE SUNDAE: I don't--right. I agree
5 with that and I don't agree also because I've just--
6 from so many different people testifying today, and
7 especially Council Member Rosenthal, I was hoping she
8 would be here because she really seems to have a
9 severe disdain for, if I may be so bold as to say,
10 for the guests of Airbnb hosts. I mean, that was--

11 CHAIRPERSON WILLIAMS: [interposing] Well,
12 I think it was primarily because Airbnb has been
13 reluctant to share data, and just in having their
14 testimony heard don't even do much of concern about
15 the legality of what they're posting, and that is a
16 very big concern of ours. So--

17 SUSETTE SUNDAE: These guests are great
18 people. They have to answer to a review process.

19 CHAIRPERSON WILLIAMS: Again, it's not the
20 guests, so I know if you can hear what I'm saying--

21 SUSETTE SUNDAE: [interposing] Yes.

22 CHAIRPERSON WILLIAMS: The things that
23 make us frustrated, they're very reluctant to share
24 data unless subpoenaed. In addition I gave them
25 numerous times to discuss what they're doing about

1 illegal units, not the ones mostly being talked about
2 now.

3
4 SUSETTE SUNDAE: Right.

5 CHAIRPERSON WILLIAMS: And they had no
6 answer for that, nor had they any plan to it, and
7 hadn't done the research.

8 SUSETTE SUNDAE: Yeah, certainly we
9 understand that it's not a perfect system, and that
10 there are going to have to be compromises on both
11 sides, I mean, for it to be able to work and as
12 residents of the city--

13 CHAIRPERSON WILLIAMS: [interposing]
14 Always willing to compromise, but I want to make sure
15 we are focused--

16 SUSETTE SUNDAE: [interposing] It's
17 delicate.

18 CHAIRPERSON WILLIAMS: Most of what the
19 people are testifying, there's no need to compromise
20 on it because it is legal.

21 SUSETTE SUNDAE: Right.

22 CHAIRPERSON WILLIAMS: Thank you very
23 much. Did you have something to say?

24 ALLISON GREEN: Yes, I did want to ask
25 though if we can have the conversation with Airbnb to

1
2 just make sure because I think that there is--I feel
3 like I'm an average kind of middle class New York
4 citizen who's getting swept up in this whole thing,
5 and we talk a lot in politics about a tale of two
6 cities. I feel like there's a lot of people on
7 Airbnb who are stuck in the middle. We're not being
8 talked about on either side of those two cities.

9 CHAIRPERSON WILLIAMS: I hear you. It's
10 just that you're not doing anything wrong. So it's
11 hard for me to focus on it when you, and particularly
12 in your case you're not doing anything wrong. The
13 only way you'd be affected if Airbnb went away, which
14 I understand, but there are a lot of home sharing
15 sites.

16 ALLISON GREEN: And on bookings or--

17 CHAIRPERSON WILLIAMS: There are a lot of
18 home sharing sites. We want all of them to continue
19 the legal work that they're doing. We want them to
20 get rid of the illegal work, and if they did that
21 today, you would not be affected.

22 ALLISON GREEN: And the thing though is
23 that the visitors are scared to come because of this
24 battle and because of this fight.

1 CHAIRPERSON WILLIAMS: Perhaps I would
2 say that the people who are doing this legally
3 suggest to Airbnb to work with us to help purge the
4 illegal units that are being on there.

5 ALLISON GREEN: Absolutely. I think we
6 want to find sensible solutions.

7 CHAIRPERSON WILLIAMS: Thank you. Thank
8 you very--and you can feel free to reach out to the
9 office if you can find ways to do it as well, but
10 again, that might be a great suggestion, all the
11 people who are testifying about the legal units and
12 the legal, let Airbnb know they need to work with us
13 so that you guys are not caught in the middle.

14 ALLISON GREEN: Absolutely.

15 CHAIRPERSON WILLIAMS: Thank you very much
16 for your testimony. I appreciate it.

17 ALLISON GREEN: Thank you.

18 CHAIRPERSON WILLIAMS: Georgette Flicher
19 [sp?] Friends of Petrocino Square, Kathleen Treat
20 [sp?], Hell's Kitchen Neighborhood Association. I
21 think Maria Matelios [sp?] submitted her testimony
22 for the record. Boris Lenko [sp?]? Jessie Shoe
23 [sp?]? Sadia Ramen, Urban Justice Center, Maritza
24 Silva-Farrel [sp?] Real Affordability for All? Yeah,
25

1 she's here? What's her name Mari? Maritza. This is
2 two people. Carrie Wright [sic], Anne Rachel,
3 Christmas-- Derrick [sp?], okay. Norm Lafund, Park
4 West Village? Gene Daniel Noland, West 47th Street
5 Block Association? Just for clarity we--Georgette
6 Flicher is not here. Kathleen Treat is not here.
7 Boris Slenko is not here. And Jesse Shoe is not
8 here. Is Sadia Ramen here? We have Maritza Silva-
9 Farrel. Do we have Carrie Wright, or just Rachel?
10 Carrie Wright and Rachel. Norm Lafund? Gene Daniel
11 Noland? Susan Barrett, West 52nd Street? Susan
12 Barrett? Sarah Romanaski, East Village? Marina
13 Matellio submitted, correct? Thank you very much for
14 your patience. If you can raise your right hand,
15 please? Do you affirm to tell the truth, the whole
16 truth and nothing but the truth in your testimony
17 before this committee and to respond honestly to
18 Council Member questions? Thank you so much, you can
19 begin in the order of your preference.
20

21 MARITZA SILVA FARREL: Good evening. My
22 name is Maritza Silva Farrel. I am the coordinator of
23 Real Affordability for All, the largest affordable
24 housing coalition in the city comprised of more than
25 50 housing organizations. I have a full testimony

1 that I submitted so I'm not going to read it all
2 because our big concern as you probably can imagine
3 is the lack of affordable housing in our city and how
4 Airbnb is making this harder for our city. I will
5 mention a couple things that with the arrival of
6 Airbnb they housing problem has become far worse,
7 affecting tens of thousands of residents in rent
8 regulated apartment, deregulated rental housing units
9 and co-ops and condos in neighborhoods throughout New
10 York City. We believe that some of the things that I
11 heard today from some of the folks who use and
12 provide their homes, they say that it allow them to
13 have more income. The reality is that this service
14 has created a dangerous underground market
15 unregulated by law and inconsiderate of the
16 detrimental effects of the residents of our city like
17 decreased public safety and diminishing affordable
18 housing stock. Airbnb's not helping our family's
19 economy by helping them pay the rent. To the
20 contrary, the rent wouldn't be so high if illegal
21 hotels weren't taking thousands of apartments off the
22 market, as was mentioned--as you Council Member,
23 mentioned before, which is totally right. Mayor de
24 Blasio has made it a priority to reverse the housing
25

1 crisis by expanding New York City's affordable
2 housing stock with an additional 200,000 units over
3 the next 10 years, but that reversal won't be
4 effective if the city does not put a stop to abdomen
5 and illegal hotels. Thank you.

7 CARRIE WHITE: Thanks. Good afternoon.

8 My name I Carrie White. I'm the Director of
9 Organizing and Policy at the Urban Homesteading
10 Assistance Board. Since 1973 UHAB has guided over
11 1,600 buildings from distressed rental housing to
12 affordable HDFC co-ops. In our experience, co-ops
13 have withstood challenges like gentrification and
14 speculation that have debilitate other types of low
15 and moderate income housing in New York City.

16 However, affordable co-ops are not immune to threats
17 to their stability, and one such threat is short term
18 rentals, which can pose a financial and safety risk
19 to the entire building. HDFC co-ops and rentals were
20 created with tax payer money expressly to provide
21 long term housing for people of low incomes. These
22 buildings receive ongoing tax breaks and other
23 subsidies that keep the apartments affordable. This
24 government funding comes with residency restrictions.
25 So one resident using a HDFC apartment for short term

1 rentals can jeopardize the affordability of the
2 entire building by putting its financial subsidies at
3 risk, not to mention the security of the families who
4 live in that building. Airbnb causes significant
5 quality of life problems for HDFC's beyond the
6 financial and legal implications. Short term renters
7 whose backgrounds have not been checked, do not know
8 residents, and may let strangers in behind them when
9 they enter buildings. They often return home late at
10 night because they're on vacation, disturbing
11 building residents. They don't always follow the New
12 York City trash and recycling regulations, resulting
13 in sanitation fines for the HDFC. The extra water
14 usage and wear and tear on the building both in the
15 individual apartments and in public spaces causes an
16 increase to all residents in the building. Airbnb and
17 other sites promoting short term rentals in New York
18 City raises many concerns. Using Airbnb and other
19 short term rental companies, landlords are keeping
20 apartments off the market for long term renters,
21 shrinking the city's overall housing stock, driving
22 up prices, and making apartments even more difficult
23 to find. In New York City, we are in the middle of
24 an affordable housing crisis. There is not enough
25

1
2 affordable apartments for New Yorkers who need them
3 for their families, and there's certainly not enough
4 affordable housing to have it used as illegal hotels.
5 Thank you.

6 RACHEL CHRISTMAS DERRICK: Hi, I'm Rachel
7 Christmas Derrick, and I'm the Director of
8 Communication at the Urban Homesteading Assistance
9 Board. And just to add what's been said, I just hope
10 that everybody is clear today that those of us who
11 are advocating for Airbnb and short term rental
12 companies doing the right thing and doing it legally
13 and encouraging people to do it legally are
14 absolutely not anti Airbnb. I do understand that some
15 of the signs outside earlier may have given that
16 impression, but I think it really is important to
17 understand that, I mean, I have no problem with B &
18 B's themselves, and it's terrible that they're being
19 swept up in all of this, and laws do need to be fixed
20 in that regard, and I have no problem with people who
21 live in, you know, single family homes or two family
22 homes doing this legally, but I think we also need to
23 be aware that today a lot of people who talk pro
24 Airbnb today, they used a lot of I and me, and I'm so
25 much--it's doing great things for me, me, me, and it

1
2 seemed like a lot of other people were talking about-
3 -what about the community at large? What about your
4 neighbors? We understand that yes, it does help
5 individuals and that's good as long as you do it
6 legally, but the idea that I'm benefitting and I
7 don't have to consider what effect it's having on the
8 community around me and on my neighbors, I think
9 that's just a very narrow way of looking at the
10 benefits of short term rentals. And of course, there
11 are benefits, as long as things are done legally.

12 CHAIRPERSON WILLIAMS: Thank you very
13 much for your testimony and for the work that you're
14 doing on this issue. Thank you. Alright. All the
15 rest of the panels are people who are testifying to
16 be in favor of Airbnb. We're going to probably cut
17 testimony time down to one minute, unless someone
18 says that they're a host and have received some
19 action against them or otherwise concerned that they
20 are endangered. Then we'll bump you back up to two
21 minutes, but if you're just coming as a concern,
22 we're going to drop it down to one minute. So if you
23 have a violation against you or a fine and you're
24 performing as a host legally, please let us know
25 before you testify. Edwin Cosmay [sp?], Edwin here?

1 Carolyn Williams, is Carolyn Williams here? Carol
2 Thomas? Carol Thomas? Julia Winetraub [sp?], is
3 Julia Winetraub here? Daniel Codeme [sp?]? Daniella
4 Lebling [sp?], sorry if I mess your name up.
5 Daniella Lebling? I think it's Clarina Benzolay [sp?]
6 128 Second Street? Liz Longo [sp?]? Is Liz Longo
7 here? Amber Ray Cortina? Amber Ray Cortina? Bejun
8 Joben [sp?]? Bejun Joben? Joshua Greenberg? Hans
9 Penz [sp?], I think is the name, 242 Richmond
10 Terrace? Karen White Greenberg? Karen White
11 Greenberg? Roy Ledares [sp?], 139th Street, Roy
12 Ledares? Going quicker than I thought. Maria P.
13 Ryos, Lockman Ave? Sarah Nessen? Sarah Nessen? Pat
14 Vintor? Laz Barry [sp?]? Waithley Williams [sp?]?
15 Allie Baylan--I'm not sure. West--Allie Bay?
16 Kimberly Page? Tara Leon? Tara Leo, 47th Street? 56-
17 -I'm sorry, Matt Weisman? Matt Weisman? That is all
18 the people that we had registered today. Was there
19 anyone who intended to register that did not fill out
20 a card? Fantastic. We may have set a record. I'm
21 going to check to see if we actually did set a
22 record. This hearing rivaled some of the Education
23 hearings and Police hearings I've been to, 10:30
24 almost--what's that? Eight hours, that's a work day.
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I want to thank everybody for their patience in the hearing, this hearing today. Thank all of my staff members who stayed and everyone who had to go through this eight hours with us. I think it was actually informative and hopefully we can move forward. Thank you everybody. This hearing is now closed.

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COMMITTEE ON HOUSING AND BUILDINGS

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 30, 2015