

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEES ON HOUSING & BUILDINGS AND STATE &
FEDERAL LEGISLATION

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March 16, 2009
Start: 10:13 am
Recess: 1:40 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
ERIC MARTIN DILAN
MARIA BAEZ
Chairpersons

COUNCIL MEMBERS:
Joel Rivera
Tony Avella
Leroy G. Comrie, Jr.
Lewis A. Fidler
Robert Jackson
James Vacca
Thomas White, Jr.
Sara M. Gonzalez
Daniel R. Garodnick
Letitia James
Gale A. Brewer
Diana Reyna
Darlene Mealy

A P P E A R A N C E S

COUNCIL MEMBERS:

Michael C. Nelson

Larry B. Seabrook

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

Marc Jahr
Acting Commissioner
Department of Housing Preservation and Development

Elyzabeth Gaumer
Director of Housing Policy Research
Department of Housing Preservation and Development

Joseph Rosenberg
Executive Director
Campaign for Fiscal Equity

Cory Green
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Director of Government Affairs
Rent Stabilization Association

Jack Freund
Executive Vice President
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A P P E A R A N C E S (CONTINUED)

Marty Markowitz
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Jackie Del Valle
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Marilyn Charles
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Louise Seeley
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Kathleen McClafferty

Aida Rivera

Sharick Irizarry

Matt Sorkin

Richard Steiger

Kim Powell
President
Buyers & Renters United to Save Harlem

Adele Bender

Kathleen Treat
Chair
Hell's Kitchen Neighborhood Association

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

Leonard Snyder
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East Side Tenants Community

Anne Emerman
Board member
Gray Panthers New York City Network

Earline Fisher

Linda Esnekas

Ericka Stallings
Housing Advocacy Coordinator
New York Immigration Coalition

Elizabeth Gardner
President
Van Buren Hall Tenants' Association

Jean Davis
Riverton Tenants Association

CHAIRPERSON DILAN: ...and if they have a cell phone, if they could please put it to silent mode or shut it off.

I'd like to call the Committee to order. And good morning and welcome I am Eric Martin Dilan and I and the Chairperson of the Housing and Buildings Committee. I'd like to thank every one of you who are attending here today and those that plan to testify on the various Committee agenda items.

Today, the Committee on Housing and Buildings will convene jointly with the Committee on State and Federal Legislation chaired by my colleague, Council Member Maria Baez.

Before the Committees today are four legislative items for consideration and they are Resolution 1815, a resolution to determine that a public emergency requiring rent control in the city of New York continues to exist and will continue to exist on and after April 1st of 2009.

The second agenda item is Intro 923 and that's a local law to amend the Administrative Code of the city of New York in relation to extending the rent stabilization laws, as well as

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2 SLR--well what I'll do is I'll leave those to the
3 Chair of the State and Federal Leg Committee,
4 because I'm sure she has that in her statement.

5 The regulation of rents in the city
6 of New York is of great concern to many New
7 Yorkers. Therefore, the Committee on Housing and
8 Buildings intends to act to continue the rent
9 regulation system and I want to assure the members
10 of the audience that, while the Housing and
11 Buildings Committee will not act on these items
12 today, we do intend to act on these items in the
13 very near future.

14 Passage of Intro 923 would extend
15 the rent stabilization law from April 1st, 2009 to
16 April 1st of 2012 and passage of Reso 815 would
17 extend the rent control law from April 1st, 2009,
18 to April 1st, 2012.

19 The Committee today expects to
20 receive testimony from numerous witnesses,
21 including individuals from the Department of
22 Housing Preservation and Development, as well as
23 various tenant leaders, housing advocates, and
24 members of the real estate industry. We
25 anticipate that we have a large number of

1
2 individuals who want to testify on today's items
3 and I'll establish a two-minute clock of everybody
4 wanting to testify and to the very extent
5 possible, if individuals could summarize their
6 testimony and we could have their testimony
7 submitted into the record as if read in full, that
8 would be a great help to both Committees.

9 I also request that all members of
10 the audience remain courteous to one another
11 regardless of any particular position on today's
12 agenda.

13 With that, I'd like to turn it over
14 to my colleague, the Chair of State and Federal
15 Leg, Maria Baez for a statement.

16 CHAIRPERSON BAEZ: Thank you. Good
17 morning and welcome. My name is Maria Baez, I am
18 the Chairperson of the State and Federal
19 Legislation Committee. It is with great pleasure
20 that I hold this joint hearing today with Council
21 Member Dilan, Chair to the Housing and Buildings
22 Committee, to address some very important issues
23 affecting our city.

24 In addition to the Local Law and
25 Resolution being heard today, the Committees will

1
2 look at two Home Rule Messages. The first Home
3 Rule Message asks the state to pass bills
4 introduced by Assembly Member Lopez and Senator
5 Krueger, would give this city the right to enact
6 on its own rent regulation laws. Presently, the
7 Rent Control Act or Urstadt Law, which was enacted
8 in 1971 prohibits the city of New York from
9 expanding rent and eviction protections to
10 residential accommodations that are exempt from
11 regulation. Since the enactment of the Urstadt
12 Law, New York City's affordable housing situation
13 has suffered, effectively creating an affordable
14 housing shortage. New York City should have the
15 power to act to regulate housing and to protect
16 tenants.

17 The second Home Rule asks the state
18 to pass bills introduced by Assembly Member
19 Rosenthal and Senator Stewart-Cousins, which seek
20 to repeal provisions of New York state and New
21 York City statutes that remove apartments from
22 rent stabilization or rent control when such
23 apartments are vacated and could be rented for
24 monthly rents of \$2,000 or more.

25 These provisions are known as

1
2 vacancy decontrol and have resulted in over
3 300,000 rent-stabilized apartments being removed
4 from rent regulation in New York City and its
5 surrounding counties. This bill would also
6 reregulate many apartments that may have been
7 decontrolled as a result of these vacancy
8 decontrol provisions.

9 Because the Administration does not
10 really testify on these Council SLRs, they will
11 only be addressing the resolution and legislation
12 relating to the extension of rent regulation.
13 Everyone else will be testifying on these items as
14 well as the two SLRs.

15 Unfortunately, the Speaker wanted
16 to be here on these issues she views as critically
17 important, but could not be here, she's in Albany
18 and sends her regrets. I, too, believe these
19 issues are critically important, especially giving
20 the economic hardships that so many working
21 families are facing in our city. Thank you.

22 CHAIRPERSON DILAN: Okay. I want
23 to give the privilege of the sponsor of Intro 923
24 to make an opening statement. Council Member
25 Gonzalez.

COUNCIL MEMBER GONZALEZ: Thank
you, Chair, good morning. I recently introduced
legislation Intro 923 designed to preserve the
nearly one million units of affordable housing
stock in our city protected by rent stabilization.

First, I would like to thank the
over 20 of my fellow colleagues who have signed on
as cosponsors of this bill. By extending these
rent protections until 2012, we are safeguarding
the homes of hard-working families with a median
income of 30,000. They represent the fabric of
their communities and we must continue to do
everything we can to ensure that they are not
pushed out of their homes. Failure to do so will
result in our city becoming a city of the very
rich and the very poor.

The rent protections we are
extending in today's legislation are set to expire
on April 1st, so that it is imperative that we
obtain swift passage so that we can fortify these
families and low income wage owners until housing
policy for New York City is determined in New York
City and not by Albany.

Thank you, Chair.

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2 CHAIRPERSON DILAN: Okay. Thank
3 you. And before we turn it over to HPD, I just
4 want to acknowledge some of the members of the
5 Housing and Buildings Committee and other members
6 in attendance here today. To my left, we have
7 Council Member Tony Avella of Queens, who's a
8 member of Housing and Buildings; excuse me--
9 Council Member Leroy Comrie of Queens, also a
10 member of the Housing and Buildings Committee;
11 Council Member Jimmy Vacca of the Bronx, who is
12 also member of Housing and Buildings; I didn't see
13 Council Member Fidler who's sitting to his left,
14 who's a member of both committees; as well as
15 Council Member Reyna of Brooklyn and Queens who is
16 here; and Council Member Larry Seabrook of the
17 Bronx; Council Member Tish James; as well as
18 Council Member Daniel Garodnick.

19 So we've been joined by Acting
20 Commissioner for a few more days of HPD, Mr. Marc
21 Jahr. Why don't you lead us off and you can
22 introduce the individuals seated immediately
23 beside you.

24 ACTING COMMISSIONER MARC JAHR:
25 Thank you, Chairman, and good morning, Chairman,

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3 and Chairwoman Baez and Members of the Housing and
4 Buildings and the State and Federal Legislation
5 Committees. I am Marc Jahr, Acting Commissioner
6 of the Department of Housing Preservation and
7 Development, or HPD, and sitting next to me are
8 Joseph Rosenberg, the Deputy Commissioner of
9 Intergovernmental Relations and Elyzabeth Gaumer,
10 who's our Director of Housing Policy Research.

11 I appreciate the opportunity to
12 appear before you today to testify in strong
13 support of Resolution number 1815 and Intro number
14 923--and as an aside, I'd like to extend our
15 gratitude, our thanks to Councilwoman Sara
16 Gonzalez for introducing this Resolution in the
17 Council. These two important measures would
18 constitute the local determination as to the
19 continuation of a housing emergency in the city of
20 New York and would permit the extension of the
21 rent control and rent stabilization laws in our
22 city for another three years. This local
23 determination is required by state law to be made
24 by the city on or before April 1st.

25 For the continuation of rent
control, the local legislative body must pass the

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2 resolution 30 to 60 days after submission of the
3 Housing and Vacancy Survey findings. HPD
4 submitted the HVS findings to Speaker Quinn on
5 February 10th and proposed Reso 1815 as before
6 this committee today.

7 As noted, for the orderly
8 continuation of rent stabilization, the Council
9 must enact a bill--Intro 923--before April 1st.

10 The purpose of my testimony today
11 is to present the initial findings of the 2008 New
12 York City Housing and Vacancy Survey or HVS. This
13 survey of the city's housing stock has been
14 carried out regularly on 14 separate occasions
15 over a 43-year period, starting in 1965 and the
16 methodology has remained constant since that time,
17 allowing us to make valid historical comparisons
18 among sets of data.

19 To provide the basis for the
20 Council's declaration of an emergency, the local
21 Emergency Housing Rent Control Act (Section 8603
22 of the Unconsolidated Laws) and the Emergency
23 Tenant Protection Act of 1974 (Section 8623 of the
24 Unconsolidated Laws) require the city to conduct a
25 survey of our housing stock every three years.

1
2 Since 1965, the city has retained the United
3 States Census Bureau to conduct the HVS. The
4 survey is used to determine, among other things,
5 the rental vacancy rate, the supply of housing
6 accommodations, the condition of such
7 accommodations and the need for continuing the
8 regulation of rents in New York City.

9 According to the 2008 HVS, which
10 was conducted between February and June 2008, the
11 vacancy rate in rental apartments in the city was
12 2.88%, well below the 5% vacancy rate threshold
13 set forth in the state and city laws as the
14 condition for determining that a housing emergency
15 continues to exist in New York City.

16 Some highlights of the survey I
17 would like to share with you are as follows: one,
18 the number of housing units in New York City was
19 3.33 million in 2008, the largest housing stock in
20 New York since the first survey was conducted in
21 1965. Between 2005 and 2008, the housing
22 inventory increased by 68,000 units or 2.1%, the
23 largest increase in a comparable period since the
24 survey was initiated 43 years ago. We believe
25 this was not only a function of the robust

1
2 economy, but also of the city's sound, aggressive,
3 and ambitious housing policy.

4 Two, every borough saw an increase
5 in housing inventory since the last survey was
6 conducted in 2005. Again, this finding signifies
7 that the strength of the market and the city's
8 housing effort have benefited all the boroughs,
9 not simply one or another of the boroughs. All of
10 New York's residences have benefited from this
11 development.

12 And three, New Yorkers'
13 satisfaction with their neighborhoods and overall
14 building conditions were the best since the survey
15 began to measure them. This is particularly
16 heartening because it means that not only have
17 thousands of additional housing units been
18 produced, but that the city's policies have
19 contributed to the quality of life our city's
20 residents have experienced in their neighborhoods.
21 Moreover, it signifies that, beyond development,
22 HPD's code enforcement activities and other core
23 functions have contributed to ensuring that the
24 city's existing housing stock is well-maintained.

25 I'd like to add some texture to the

1 first two highlights. Upon breaking down the
2 units into rental and owner categories, the number
3 of rental units, occupied and vacant, was
4 2,145,000, or 64.4 % of the city's housing
5 inventory in 2008. The rental housing inventory
6 increased by 52,000 units, or by 2.5% between 2005
7 and 2008. The total number of owner units was
8 1,046,000, an increase of 14,000, or by 1.4%
9 between 2005 and 2008.
10

11 The increase in both the rental and
12 ownership stock of units can be attributed, in
13 part, to the mayor's New Housing Marketplace Plan
14 which reached the halfway mark of 82,000 units in
15 October 2008. It is the largest municipal housing
16 plan in the nation's history. Although the total
17 number of rental units both occupied and vacant
18 increased by 52,000 between 2005 and 2008, the
19 number of rent stabilized units decreased from
20 1.04 million in 2005 to 1.027 million in 2008--a
21 loss of approximately 16,800 units, or 1.6%. Some
22 of this is due to conversion of rental units to
23 ownership units, another part to expiring tax
24 benefits, and some certainly is due to state
25 deregulation laws.

With this in mind, however, it is important to note that the Administration currently has 17,291 units being newly constructed, 75% of which will be rent regulated upon completion over the next several months. The reason they are not currently counted in the 2008 Housing Vacancy Survey is that they were not available for rent due to not having a Certificate of Occupancy. The 25% balance of units are not rent regulated because they are home ownership units or rental units in homes and buildings that have fewer than six units, and are, therefore, not governed by state rent regulation laws.

The housing inventory increased in every borough between 2005 and 2008. More than sixty percent--61.8%--of the city-wide increases were in Manhattan and Brooklyn, with Queens and the Bronx each gaining about 15% of the citywide increase. Staten Island gained approximately 7% of the 68,000 total unit increase. Specifically, the number of total housing units in Manhattan was increased by 23,900, while the increase in Brooklyn was 18,000. The Bronx's housing stock increased by 10,600, Queens by 10,700, and Staten

Island by 4,600.

As I mentioned previously, the HVS reports that physical building and neighborhood conditions in the city are the best since the HVS started covering comparable conditions in the 1960s and 1970s. The number of renter occupied units without any heating breakdowns of any kind increased from 82.3% in 2005 to 85.2% in 2008. The proportion of renter households near buildings with broken or boarded up windows on the street declined from 6.3% in 2005 to 5.1% in 2008. In contrast, this percentage was 11.4% in 1996, almost twice as high. In 2008, the proportion of renter households that rated the quality of their neighborhood's residential structures as good or excellent was 71.8%, this was the best showing in the 30-year period since HVS began to measure such opinion in 1978. As an indication of how far we've come, the 1978 percentage for this category was 56.2%.

Almost all of the housing units in our city were in structurally good buildings. The dilapidation rate of renter occupied units in 2008 was point six-tenths of 1%--the lowest number in

1
2 the history of the HVS. Back in 1965, the rental
3 dilapidation rate was roughly seven times as high-
4 -or 4.3%.

5 One of the reasons why housing and
6 neighborhood conditions once again improved in the
7 city is due in large part to the continuing
8 successful partnership between the City Council
9 and the Administration in devising programs and
10 laws designed to ensure that our neighborhoods
11 continue to thrive.

12 Educational seminars conducted by
13 HPD in conjunction with individual Council
14 Members, such as owner's night, continue to
15 provide your constituents with ways of accessing
16 low interest rehabilitation loans that can be
17 indispensable in upgrading and replacing aged
18 boiler systems, deteriorated roofs and other
19 building systems. It also provides homeowners,
20 tenants, and superintendents with information on
21 HPD's housing education classes, how to correct a
22 housing code violation, and HPD's other
23 preservation programs.

24 Another joint venture is the
25 alternative enforcement program which was passed

1
2 by the Council as Local Law 29 in 2007 and
3 launched in November of that year. It addresses
4 the physical deterioration of the most distressed
5 multiple dwellings in New York City by compelling
6 the owner to make effective repairs or have the
7 city to do so in a more comprehensive fashion.
8 The law requires the city to identify 200
9 buildings every year with the worst housing code
10 violations and targets them for aggressive
11 inspection and comprehensive repairs.

12 The Tenant Harassment Law, or Local
13 Law 7, which was signed on March 13th, 2008,
14 creates a cause of action in Housing Court for
15 tenant harassment cases where none previously
16 existed. Over 350 claims have been filed in
17 Housing Court since this law was implemented.

18 All of these measures are designed
19 to preserve the quality of existing housing units
20 and the integrity of the system of rent
21 regulation.

22 Now I would like to provide some
23 information on the vacancy rates of rental units.
24 As I previously indicated, the vacancy rate in
25 2008 was 2.88%, as compared to 3.09% in 2005.

1
2 Despite the growth in the number of housing units
3 and the city's efforts, the market tightened
4 further--evidence that New York remained a
5 powerful magnet, able to retain existing
6 residents, and attract new ones.

7 The vacancy rate for low-rent units
8 in 2008 with monthly asking rents of less than
9 \$500 was .56 of one-tenth percent. The vacancy
10 rate for units between 500 to \$799 was 1.47%. The
11 vacancy rate for rental units between 800 and \$999
12 was 2.09%, while the rate for units between 1,000
13 and \$1,249 was 3.92%. Only once rents are over
14 \$1,250 does the vacancy rate exceed 4%; for units
15 renting between \$1,250 and \$1,749, the vacancy
16 rate was 4.47%; and for units renting between
17 \$1,750 and \$2,499, the rate was 4.03%. Only
18 apartments renting for \$2,500 or more had a
19 vacancy rate in excess of 5%--for those units, the
20 vacancy rate in 2008 was 7.18%. As you know, the
21 state rent stabilization laws do not expire until
22 2011, but locally, we are working with the Council
23 to ensure that both rent stabilization and rent
24 control will be extended in our city beyond the
25 expiration date of March 31st, 2009. That is why

1
2 we thank you for placing Intro number 923 and
3 Resolution number 1815 on today's hearing and urge
4 its speedy passage.

5 Both houses of the state
6 legislature and governor had rightfully indicated
7 that in this dire fiscal climate, the priority in
8 Albany is passage of a state budget and they are
9 focused on that. In the meantime, we remain
10 focused and look forward to our continued work
11 with the Council on the Administration's \$7.5
12 billion New Housing Marketplace Plan, which will
13 create affordable housing for over 500,000 New
14 Yorkers.

15 In conclusion, the Housing and
16 Vacancy Survey is a crucial study that provides
17 insights into many housing conditions throughout
18 our city. Although the 2008 HVS data indicates
19 significant improvements in housing and
20 neighborhood conditions and an increase in housing
21 inventory, they also show a continuing serious
22 shortage of rental housing in our city. Given
23 this shortage, the standards of continuing rent
24 control and rent stabilization in New York City
25 have been met and justify the extension of both

1
2 rent control and rent stabilization for an
3 additional three years. We therefore urge the
4 Council to adopt Resolution 1815 and pass Intro
5 923 as soon as possible. Thank you.

6 We are now available to answer any
7 questions you may have.

8 CHAIRPERSON DILAN: Thank you,
9 Commissioner Jahr, and before we get to--

10 ACTING COMMISSIONER JAHR: Thank
11 you.

12 CHAIRPERSON DILAN: --questions, I
13 just want to do a little acknowledgment of members
14 who have arrived. We have Council Member Joel
15 Rivera of the Bronx who has joined us, as well as
16 Council Member Gale Brewer of Manhattan who has
17 joined us.

18 I just want to say at the outset
19 that this is the initial hearing on all items on
20 today's agenda. At the end of the hearing, these
21 items will be laid aside and we intend to act on
22 these bills in the near future.

23 I want to limit all the members to
24 asking two questions and that will include myself
25 and Council Member Baez, so I'll start off with

1
2 two questions, then Council Member Baez has
3 deferred and I'll be followed by Council Member
4 Garodnick who will then be followed by Council
5 Member Gale Brewer.

6 Mr. Jahr, I just want to start off
7 by saying the initial findings of the Housing and
8 Vacancy Survey indicate that the city's housing
9 stock has increased by approximately 70,000 units,
10 68,000 in my report or by 2.1% between 2005 and
11 2008; while the number of vacant units available
12 for rent was 62,000 units shows a decrease of
13 about 3,000 units since 2005. What accounts for
14 this overall increase in housing stock and
15 decrease in availability of vacancies for rent?

16 ACTING COMMISSIONER JAHR: I think
17 the increase can be attributed as I noted in the
18 testimony to the strength of the city's economy
19 and its real estate market, as well as to the
20 contributions of the city itself to the production
21 of affordable housing in the neighborhood city of
22 New York. In terms of the reduction in the number
23 of--I'm sorry, go back over that, forgive me.

24 CHAIRPERSON DILAN: Okay. In
25 reductions of the vacancies--

ACTING COMMISSIONER JAHR: Yeah.

CHAIRPERSON DILAN: --available for
rent.

ACTING COMMISSIONER JAHR: Again, I
think this is more a measure of the strength of
the market and, you know, the rapid turnover of
apartments, the folks that the absorption of
units, you know, both on the rental side and the
ownership side during this period of time, the
absorption times have been very brief. There's a
huge demand for housing and people are very
quickly, you know, rented or bought units that
have come onto the market.

CHAIRPERSON DILAN: Okay. My final
question is, although included in the past
surveys, the initial findings of the 2008 HVS did
not include data with respect to the percentage of
rental households with incomes below the federal
poverty level. Why is this information excluded
and what percentage of the rental households with
incomes below the federal poverty level?

ACTING COMMISSIONER JAHR: I'm
going to ask Elyzabeth to respond to that
question.

MS. ELYZABETH GAUMER: Sure. Thank
you very much.

CHAIRPERSON DILAN: I have to just
say that I know the Commissioner has just
introduced you, but you just have to acknowledge
yourself in your own voice into the mic for the
record.

MS. GAUMER: Sure, my name is
Elyzabeth Gaumer, I'm Director of Housing Policy
Research at HPD.

CHAIRPERSON DILAN: Okay. And if
you could bring that mic a little bit--

MS. GAUMER: Closer.

CHAIRPERSON DILAN: --closer to you
so we can accurately record what you're saying.

MS. GAUMER: Of course. The 2008
HVS does measure the poverty rate, in fact, it is
not included not for any reason exclusion but
simply that we are still confirming and comparing
it to currently published measures that were
verified by the HRA administration that uses
slightly different surveys to produce the poverty
rate for New York City. These estimates are
fairly in line with about one in five, in fact,

1 just under one in five households below the
2 federal poverty rate.

3
4 CHAIRPERSON DILAN: We'd just like
5 you to get that information to us before the
6 disposition--

7 MS. GAUMER: Of course.

8 CHAIRPERSON DILAN: --of this item
9 out of committee to the full Council.

10 ACTING COMMISSIONER JAHR: Yes,
11 Chairman, we expect to get that information to you
12 within the next couple of weeks.

13 CHAIRPERSON DILAN: Okay. Thank
14 you. Council Member Garodnick, followed by
15 Council Member Brewer.

16 COUNCIL MEMBER GARODNICK: Thank
17 you, Mr. Chairman, for the opportunity to ask a
18 couple of questions today. Mr. Jahr, welcome.

19 ACTING COMMISSIONER JAHR: Thank
20 you.

21 COUNCIL MEMBER GARODNICK: I want
22 to thank you for your findings that we continue to
23 be eligible for our rent stabilization and I
24 certainly agree with them and I hope that we will
25 be able to renew these laws, I certainly support

1
2 that.

3 I wanted to ask you about the
4 decrease in the number of units, the rent-
5 stabilized units which went from your testimony
6 from 1.044 million in 2005 to 1.027 million in
7 2008, a loss of 16,800. You said attributing some
8 to conversion to ownership, some to expiring tax
9 benefits, and some to state deregulation laws. I
10 wanted to ask you, I'm sure you are well aware of
11 the recent decision they came out in Roberts
12 versus Tishman Speyer, which ruled that buildings
13 that are receiving J51 tax benefits from the city
14 are not allowed to take those buildings out of the
15 rent stabilization system during the time in which
16 they're receiving those benefits. I wanted to ask
17 if you have a sense or if you knew the number of
18 buildings which were, or units, which were
19 deregulated while receiving the J51 tax benefit in
20 that grouping of 16,800.

21 ACTING COMMISSIONER JAHR: Let me
22 check with Elyzabeth--

23 CHAIRPERSON LIU: I just want to
24 just state for the members, I know that, Council
25 Member Garodnick, you care greatly about that

1
2 topic, but I'm not exactly certain if that topic
3 is germane to this conversation as it relates to
4 J51, it does relate to deregulation, but I'm not
5 sure that they have the available data to--

6 [Crosstalk]

7 COUNCIL MEMBER GARODNICK:

8 [Interposing] Okay. Well I--

9 [Crosstalk]

10 COUNCIL MEMBER GARODNICK: --if they
11 don't, then they don't, I'd love to have it--

12 ACTING COMMISSIONER JAHR: I don't
13 think we--

14 COUNCIL MEMBER GARODNICK: --but
15 let's--

16 [Crosstalk]

17 ACTING COMMISSIONER JAHR:

18 [Interposing] I don't think the data has parsed in
19 that manner, but let me just double-check--Joe or
20 Elyzabeth?

21 MR. JOSEPH ROSENBERG: I'm Joseph
22 Rosenberg, what Marc said is correct, it hasn't
23 been parsed in that manner, we don't have
24 specifics--on specific causes of why they were
25 deregulation of units.

COUNCIL MEMBER GARODNICK: Okay.

The--

MR. ROSENBERG: What you have is
the most specific of what we have right now.

COUNCIL MEMBER GARODNICK: Okay.
Is HPD endeavoring to try to break that down?

MR. ROSENBERG: That's something we
can look at with DHCR, they probably are better
determinators of what exactly might have happened,
but we can look at that.

COUNCIL MEMBER GARODNICK: Okay.
Thank you. Mr. Chairman, I really have been
focusing on the issue in terms of the loss of the
rent-stabilized units as a citywide matter because
obviously the impact of that decision is not just
related to Stuyvesant town Peter Cooper Village,
but also related to many units around the city,
although it is possible that a significant number
of that 16,000 is attributable to Stuyvesant town.
I don't know exactly how many and it's something
we certainly hope that HPD and DHCR will work with
us to get to the bottom of. Thank you, Mr.
Chairman.

CHAIRPERSON DILAN: Yeah, thank

1
2 you, Council Member Garodnick, and I certainly
3 apologize, the question may have been appropriate,
4 but I'm just not sure.

5 Council Member Brewer.

6 COUNCIL MEMBER BREWER: Thank you
7 very much. First of all, Barbara Flynn [phonetic]
8 is wonderful, we always support Vito, so she wants
9 me to tell you that she's wonderful also.

10 Number two is the mention of rent-
11 regulated housing that is part of the market
12 place, the Mayor's marketplace, how long is that
13 rent-regulated housing? I was trying to find the
14 number, you gave a number I think as to the fact
15 that the Mayor has a lot--

16 ACTING COMMISSIONER JAHR: Yeah.

17 COUNCIL MEMBER BREWER: --of rent-
18 regulated housing, some of that is permanent, some
19 of it is for the life of an abatement. Can you
20 give us a break down on that or is it all
21 permanent rent regulated?

22 ACTING COMMISSIONER JAHR: I think
23 that, one. it depends on the program, it depends
24 on the both the type of the form of regulation in
25 general it's, on many units I think it's the

1
2 greater of the term of the mortgage or the term of
3 the tax benefit; in some instances, it might vary
4 from that type of formula, and in this instance,
5 I'm talking about the rental units. You know, the
6 vast majority of units are regulated also at least
7 through their initial 15-year term under tax
8 credit laws that extend for 15 years, but the
9 city's finance extends beyond that to, in many
10 instance, 30 years and the enriched J51 benefits
11 extend to at least 32 years. So the housing stock
12 that's being produced under the Mayor's housing
13 plan, the rental units are overwhelming, all of
14 them are regulated and all of them have extended
15 terms out to at least three decades and slightly
16 more.

17 COUNCIL MEMBER BREWER: Okay.

18 'Cause having experienced all of this and the
19 decades--

20 ACTING COMMISSIONER JAHR: Yeah.

21 COUNCIL MEMBER BREWER: --are going
22 by on the West Side, now some of them when you
23 move or die, it is no longer regulated--

24 ACTING COMMISSIONER JAHR: Yeah.

25 COUNCIL MEMBER BREWER: --so it's

not really a rent regulated apartment and I just--

ACTING COMMISSIONER JAHR: Yeah.

COUNCIL MEMBER BREWER: --think we should be clear on that because it does make a big difference in a market place. That's pretty active.

ACTING COMMISSIONER JAHR: Joe, did you want to--

MR. ROSENBERG: [Interposing] Yeah, yes, I mean basically as Marc said, in some of these programs keep the housing under a rent regulation for even longer, there's 40, 50 years, if it's a not-for-profit housing development.

COUNCIL MEMBER BREWER:
[Interposing] I haven't met that one long, Joe.

MR. ROSENBERG: It's a HDFC is under Article 11--

[Crosstalk]

COUNCIL MEMBER BREWER:
[Interposing] Okay. All right, I mean I just wish that as we go forward if there was some way of making it permanently rent stabilized, it would be much preferable, because you'd be surprised how fast 30 years goes.

1
2 ACTING COMMISSIONER JAHR: Yes, you
3 know, we've spoken about this in the past,
4 Councilwoman, I think sometimes what happens is
5 that as buildings age after being constructed,
6 obviously, there are other manners by which it can
7 be increased, such as shifting from the 421(a)
8 benefit for new construction to J51 through a loan
9 program with us that would also ensure a
10 continuation of those protections.

11 COUNCIL MEMBER BREWER: All right.
12 Second issue and maybe I should know this, when
13 you say owner units, do you mean individual co-ops
14 who are renting? What does the Housing Vacancy
15 Survey mean by that?

16 ACTING COMMISSIONER JAHR: Owner
17 occupied is as I understand it, would be both
18 cooperative units, as well as condominium units,
19 as well as home ownership units, you know,
20 properties of one to four units.

21 COUNCIL MEMBER BREWER: Okay.

22 ACTING COMMISSIONER JAHR: So those
23 three components represent the ownership number.

24 COUNCIL MEMBER BREWER: Okay.

25 Thank you.

1
2 ACTING COMMISSIONER JAHR: Thank
3 you.

4 CHAIRPERSON DILAN: Thank you,
5 Council Member Brewer. I have Council Member
6 James, followed by Council Member Comrie.

7 COUNCIL MEMBER JAMES: Thank you,
8 Mr. Chair. According to your testimony, as was
9 referenced by Council Member Garodnick, a number
10 of units were decreased was decreased as a result,
11 they were converted to ownership units. How many
12 of these apartments were converted as a result of
13 a loophole in the law which would allow the
14 landlord to use the building for personal use?

15 ACTING COMMISSIONER JAHR:
16 Councilwoman, I don't have that answer. And I'm,
17 you know, I'd have to check with our policy people
18 to see whether it's possible to arrive at that
19 answer.

20 COUNCIL MEMBER JAMES: Do you know
21 whether--

22 ACTING COMMISSIONER JAHR: But it's
23 not an answer that I--

24 COUNCIL MEMBER JAMES:
25 [Interposing] Thank you. Do you know whether or

1
2 not, HPD is working with the state legislature to
3 correct this loophole in the law. With regards to
4 owner occupancy statute?

5 MR. ROSENBERG: You're referring--
6 Councilwoman, you're referring to the ability of
7 an owner to take over other units in a building
8 owned--

9 COUNCIL MEMBER JAMES: Correct.

10 MR. ROSENBERG: Okay. This is one-

11 -

12 COUNCIL MEMBER JAMES:

13 [Interposing] And claim that it's for his personal
14 use.

15 MR. ROSENBERG: Right, right, this
16 is as, you know, this is something that is
17 supervised by DHCR, this is one of many, many rent
18 regulation reforms and other housing issues that's
19 up in Albany. At this point, we're not weighing
20 into it. We're basically focused on the budget up
21 there and, certainly for the purposes of this
22 testimony, really trying to make sure that we work
23 with you on insuring the continuation of rent
24 regulation, rent control, but this is not
25 something that we've weighed into.

COUNCIL MEMBER JAMES: Last two
questions, I know, you know--

CHAIRPERSON DILAN: [Interposing]
Council Member?

COUNCIL MEMBER JAMES: Yeah?

CHAIRPERSON DILAN: I have to stop
you, what I want to do, and if it works and so far
it's working, what I'd like to do is give every
Member two questions in the first round and if we
go through this quickly, I'll allow for follow-up
questions for every other member, but if we keep
it flowing--

COUNCIL MEMBER JAMES: Okay.

CHAIRPERSON DILAN: --I believe it
will work. So if you'd like, I'll put you on the
list for follow-up--

COUNCIL MEMBER JAMES: Please.

CHAIRPERSON DILAN: --and you'll be
first. All right.

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON DILAN: Council Member--
-okay, Council Member James. I have Council
Member Comrie and then after that, no one else for
the first round. If anybody wants to get two

1
2 questions in that has not asked, now's the time to
3 be acknowledged.

4 Council Member Comrie.

5 COUNCIL MEMBER COMRIE: I actually
6 wanted to follow up on the same line of
7 questioning that Council Member James is talking
8 about as far as owners that are skirting between
9 HPD and DHCR and are claiming that they're taking
10 over the apartments for private uses or
11 converting, especially in my district, as you
12 know, garden apartments, into or other buildings
13 into private usage and are then changing the
14 addresses of the properties without getting the
15 proper regulation so that they can then skirt
16 around DHCR and put the property out on markets to
17 try to sell them at market rate and I want to know
18 what is HPD doing with DHCR to try to close that
19 loophole and has that been brought up to DHCR as a
20 loophole?

21 ACTING COMMISSIONER JAHR: I think
22 there've been many--correct me if I'm wrong,
23 Councilman, but there's been many meetings with
24 you and some colleagues on these issues that are--

25 [Crosstalk]

COUNCIL MEMBER COMRIE:

[Interposing] Yes, no, you've been--

[Crosstalk]

ACTING COMMISSIONER JAHR: --

prevalent in your district.

COUNCIL MEMBER COMRIE: Right, but that's a new issue that came up, I want to know if that is there anything that HPD is doing about that, because a lot of landlords are changing addresses or adding an A or B to the address to get around the DHCR regulation.

ACTING COMMISSIONER JAHR: Well we can give you an update on this, but I think a lot of this deals with, I think, the Department of Buildings and the determination of what is a separate unit under Certificate of Occupancy, so this is one thing we can pursue with them.

On the broader issue certainly of the harassment in effective of some of the tenants here, we've seen, you know, remarkable success of the Tenant Harassment law that we worked together to pass with you just a few months ago--that's one of the tools also. We can't speak specifically as to what DHCR is doing on this, but we can

1
2 certainly call them after the hearing and contact
3 you to get a sense of this is something they're
4 looking at and, if so, what they might be
5 intending to pursue.

6 COUNCIL MEMBER COMRIE: Okay. Then
7 just my last question on the vacancy decontrol and
8 how many units have gone into vacancy decontrol
9 because of the fact that they've been priced up
10 due to the repairs or the improvements to the
11 property?

12 ACTING COMMISSIONER JAHR: That's
13 not a number we have, DHCR might have that number,
14 we can check with them.

15 COUNCIL MEMBER COMRIE: Okay. Is
16 that possibly get back to the Committee with that
17 or do we have to send a letter to DHCR? DHCR--

18 [Crosstalk]

19 ACTING COMMISSIONER JAHR:
20 [Interposing] No, we'll contact them, we have a
21 good working relationship with them.

22 COUNCIL MEMBER COMRIE: Okay.
23 Thank you. Thank you, I just want to take a
24 moment to complement you, you have been active on
25 these issues, but it seems to be so many cross

1
2 issues that we need to work on finding some way to
3 deal with either a task force or a regular
4 committee between DHCR and Buildings and HPD so
5 that I wish HPD could be the lead agency on some
6 of these things, a lot of this mess would be
7 cleaned up. Thank you.

8 ACTING COMMISSIONER JAHR: Thank
9 you.

10 CHAIRPERSON DILAN: Okay. We have
11 next Council Member Reyna, followed by Council
12 Member Vacca.

13 COUNCIL MEMBER REYNA: Good
14 morning, thank you, Mr. Chair.

15 I just wanted to find out on the
16 HDFC topic the loss of approximately 16,800 units,
17 how many of those were lost in the category of
18 HDFC?

19 ACTING COMMISSIONER JAHR: Yeah,
20 I'm sorry, but we don't have that data, that's not
21 data that's produced by the Housing and Vacancy
22 Survey.

23 COUNCIL MEMBER REYNA: What data do
24 you have in reference to HDFCs?

25 ACTING COMMISSIONER JAHR: Under

1
2 the HVS, we don't have data that specifically
3 addresses the issue of the HDFCs, Councilwoman.
4 You know, we look at rental units, we look at home
5 ownership units, but it doesn't parse it by, you
6 know, various categories created under various
7 state statutes.

8 COUNCIL MEMBER REYNA: Well how is
9 this survey--

10 CHAIRPERSON DILAN: [Interposing]
11 Council Member, I hate to do this, I want to get
12 to Council Member Vacca, and then if you want to
13 follow-up, you can be second on the follow-up list
14 behind Council Member James. Right now, Council
15 Member Vacca's the last member on the first round.

16 COUNCIL MEMBER REYNA: I'm trying
17 to understand the survey, Council Member, you
18 know--

19 CHAIRPERSON DILAN: Yeah, I
20 understand--

21 COUNCIL MEMBER REYNA: --I don't
22 understand the concept or the mission of the
23 survey, if we don't know what categorical analysis
24 is being defined in order to assist us in
25 preserving affordable units in the city of New

1
2 York.

3 CHAIRPERSON DILAN: Right, I
4 understand that and I want to allow you to get to
5 that opportunity, but I've been pretty consistent
6 with two questions per member.

7 COUNCIL MEMBER REYNA: I just asked
8 one question and it hasn't been answered.

9 CHAIRPERSON DILAN: It was two
10 questions and I believe it was answered and I'm
11 going to move on to Council Member Vacca. If
12 you'd like to be acknowledged for a follow-up,
13 I'll put you on that follow-up list.

14 COUNCIL MEMBER REYNA: Maybe
15 that'll give him some time to--

16 CHAIRPERSON DILAN: Possibly.

17 COUNCIL MEMBER REYNA: --give me an
18 explanation. Thank you.

19 CHAIRPERSON DILAN: Possibly, and
20 if you have it, I'd like you guys to work on
21 getting that information.

22 Council Member Vacca.

23 COUNCIL MEMBER VACCA: Yes, two
24 brief questions, Commissioner. First of all,
25 units produced under the Mayor's affordable

1
2 housing programs where we've seen significant new
3 housing in the city. Those units are also
4 included in your calculation of rent-stabilized
5 units in the city?

6 ACTING COMMISSIONER JAHR: Only
7 those units that have received Certificates of
8 Occupancy. So if you went up 3rd Avenue, you went
9 to the Melrose section of the Bronx, there's a lot
10 of units under construction there, if they haven't
11 received C of Os, they're not included in this
12 study as, you know, occupied units as part of the
13 calculation that's being made. So there are
14 literally thousands of units that are under
15 construction and that will be regulated, but
16 aren't included in this calculation.

17 COUNCIL MEMBER VACCA: As a follow-
18 up quickly and I respect the Chairman's decision,
19 approximately how many of the affordable units are
20 included in your estimation. And I dovetail that
21 with my last question and then is Mitchell-Lama.
22 I want to know do we continue to experience a
23 flight out of Mitchell-Lama.

24 ACTING COMMISSIONER JAHR: Okay.
25 Joe, did you want to...

1
2 MR. ROSENBERG: Well I'll just on
3 the Mitchell-Lama issue, the Mitchell-Lama units,
4 although they're included in the Housing Vacancy
5 Survey, they're considered to be another category
6 of regulated units, not rent-stabilized. We're
7 working, we have a lot of legislation pending in
8 Albany, we're attempting to stem the tide of
9 buyouts for Mitchell-Lamas, both the co-ops and
10 the rentals and when Marc goes back to HDC in two
11 days he'll continue the work we've had on really
12 pushing for the refinancing of Mitchell-Lamas that
13 might be interested in buying out for the purpose
14 of keeping them in the program. So we continue to
15 be very diligent and attempts to ensure that the
16 Mitchell-Lamas remain in.

17 ACTING COMMISSIONER JAHR: Yeah, I
18 just want to loop back though, however, to the
19 Councilman's original question and just note that
20 of the 68,000 units that the net increase to the
21 3.3 million, 13,000 of those were rental units
22 produced under the Mayor's housing plan. Okay.
23 And that's 13,000 that are counted, then there's
24 another set of units in construction that are not
25 counted included in that 3.3 million or the 68,000

1 because they don't have Certificates of Occupancy.

2 CHAIRPERSON DILAN: Thank you,
3 Council Member Vacca. Okay. That will move us
4 onto the follow-up list, I have first Council
5 Member James.
6

7 COUNCIL MEMBER JAMES: Thank you.
8 Going back to this loophole in the law, in your
9 testimony on page 5 which talks about the number
10 of units that we have lost in the city as a result
11 of a conversion. If you could provide this
12 Committee and this Councilperson the number of
13 units that we have lost in the city of New York
14 due to this owner occupied statute to demolition,
15 and, three, how many units have we lost a result
16 of or have become deregulated as a result of these
17 MCI increases. And my question is, is there a
18 unit within HPD that investigates these MCI
19 increases or is that left entirely to DHCR?

20 ACTING COMMISSIONER JAHR: You
21 know, that's the responsibility of the state's
22 Division of Housing Community Renewal, we will
23 have a conversation with DHCR and see what types
24 of information they can generate and share with
25 us, which in turn we'll share with you.

1
2 COUNCIL MEMBER JAMES: In an
3 attempt--I guess, you know, the Mayor of the city
4 of New York has created all of these commissions
5 to study every element and quality of life in the
6 city of New York. My suggestion to the
7 Administration and primarily to Mayor Bloomberg is
8 that he create a commission, which is dedicated to
9 looking at the loss of rent regulated apartments
10 in the city of New York and that we work with
11 DHCR.

12 Unfortunately, I am of the opinion,
13 I have been very critical and will continue to do
14 so notwithstanding the fact that it has cost me,
15 this Administration, unfortunately, you know,
16 would like to protects the rich at the expense of
17 low, moderate, and working families in the city of
18 New York and if this Administration, particularly
19 the Mayor of the city of New York would raise his
20 voice on behalf of all of the tenants who are
21 being displaced and under threat of losing their
22 homes, it would be greatly appreciated in the city
23 of New York.

24 So this is really not to this
25 panel, but to the Administration--I know they're

1 listening, it would be wonderful if they would
2 create a commission on the loss of rent-stabilized
3 rent control and all of these loopholes in the law
4 that so many tenants are concerned about here this
5 morning and who hear my voice and are listening to
6 this--well it's not live, but hopefully will
7 listen to it.
8

9 My other question is, I represent
10 the great borough of Brooklyn and it's my
11 understanding that the housing inventory increased
12 in every borough and apparently in Brooklyn. I
13 represent downtown Brooklyn, Fort Greene, Clinton
14 Hill, Prospect Heights, Crown Heights, it's Ground
15 Zero for displacement. My question is, how many
16 rent control, rent-stabilized, or rent-regulated
17 apartments have we created in my district? I
18 would like to think the number is de minimus. Do
19 you have that number?

20 ACTING COMMISSIONER JAHR: Yeah,
21 the data under the HVS hasn't at this point
22 reached the issue of the sub-borough or smaller
23 geographic units, that's something that comes, I
24 think, in a successive study that the Census
25 Bureau shares with us. When we have that data, we

1 will, of course, share it with the Council and the
2 Council Members.
3

4 COUNCIL MEMBER JAMES: I'd
5 appreciate that. And the vacancy rate for low
6 rent units is 0.56%. How many units do we have in
7 the city of New York that rent for less than \$500?

8 ACTING COMMISSIONER JAHR: What's
9 our total count there? I'm checking the data,
10 forgive me. Yeah, I'm sorry.

11 MS. GAUMER: It is a very small
12 number.

13 COUNCIL MEMBER JAMES: I would
14 imagine so.

15 MS. GAUMER: It is, and in fact,
16 we're double-checking as you see in the initial
17 finding tables, Table 7, in fact, that this is a
18 very small number. There's a little bit of
19 variability. As you know, this is a survey and
20 it's based on a sample and so these are estimates.
21 Small numbers can be difficult to say precisely.
22 We can follow up on exactly what that N is--

23 [Crosstalk]

24 COUNCIL MEMBER JAMES:
25 [Interposing] But you don't have the number?

1 HOUSING & BUILDINGS AND STATE & FEDERAL 51
2 LEGISLATION

3 MS. GAUMER: I do not at this point
4 in time.

5 COUNCIL MEMBER JAMES: What about
6 the number of rental units between 800 and \$999?
7 Do you have that number?

8 MS. GAUMER: Sure, I'm sorry,
9 between which?

10 COUNCIL MEMBER JAMES: Eight
11 hundred to 999, less than 1,000.

12 MS. GAUMER: The total number here
13 was 8,500 for 2008.

14 COUNCIL MEMBER JAMES: Eighty-five
15 hundred?

16 MS. GAUMER: Mm-hmm. This is
17 vacant units.

18 COUNCIL MEMBER JAMES: And I could
19 assume that the number of units renting below 500
20 is much less than that.

21 ACTING COMMISSIONER JAHR: The
22 8,500 number was vacant units--

23 [Crosstalk]

24 MS. GAUMER: Yes.

25 COUNCIL MEMBER JAMES:
[Interposing] Is all apartments below 1,000?

1 HOUSING & BUILDINGS AND STATE & FEDERAL 52
LEGISLATION

2 ACTING COMMISSIONER JAHR: Is it
3 all?

4 MS. GAUMER: You want all the units
5 or vacant units?

6 ACTING COMMISSIONER JAHR: Yes.

7 COUNCIL MEMBER JAMES: Vacant.
8 Vacant units.

9 MS. GAUMER: I have vacant
10 available for rent.

11 COUNCIL MEMBER JAMES: How many?
12 Eighty-five hundred?

13 MS. GAUMER: Vacant, available for
14 rent is 8,500.

15 COUNCIL MEMBER JAMES: Really?
16 Below \$1,000.

17 MS. GAUMER: This is for 800 to
18 1,000.

19 COUNCIL MEMBER JAMES: Oh, 800 to
20 1,000.

21 MS. GAUMER: Mm-hmm, that's right.

22 COUNCIL MEMBER JAMES: And do you
23 have that number for less than 500, how many are
24 vacant and--

25 MS. GAUMER: Well unfortunately,

1
2 this is the number we'd have to double-check and
3 so to have a total for under 1,000, unfortunately,
4 I'd have to have that missing number of under 500.

5 COUNCIL MEMBER JAMES: Okay.

6 MR. ROSENBERG: We have total
7 units?

8 COUNCIL MEMBER JAMES: My other
9 question is to what extent is--

10 [Crosstalk]

11 MS. GAUMER: ...60 [off mic].

12 COUNCIL MEMBER JAMES: I'm sorry?

13 MS. GAUMER: I'm sorry, just to be
14 clear, the total number of vacant available for
15 rent citywide is 62,000.

16 COUNCIL MEMBER JAMES: Sixty-two
17 thousand.

18 MS. GAUMER: Just under.

19 COUNCIL MEMBER JAMES: If I could
20 get a--

21 MS. GAUMER: [Interposing] And
22 that's at all rent levels.

23 COUNCIL MEMBER JAMES: If my office
24 or this Chair could get a list of where those
25 apartments are located in the city of New York,

1
2 that would be greatly appreciated.

3 MS. GAUMER: I really would like to
4 know, I appreciate that.

5 COUNCIL MEMBER JAMES: I think the
6 audience would like to know, too.

7 CHAIRPERSON DILAN: Council Member,
8 I'm not sure that they're in your district.

9 COUNCIL MEMBER JAMES: I know
10 they're not in my district, so maybe they're in
11 Council Member Garodnick's district, but they're
12 not in my district, I don't know.

13 [Crosstalk]

14 CHAIRPERSON DILAN: Council Member
15 James--

16 COUNCIL MEMBER JAMES: I've been
17 searching--anyway.

18 CHAIRPERSON DILAN: --if you could
19 sum up.

20 COUNCIL MEMBER JAMES: I'll sum up.

21 CHAIRPERSON DILAN: You'll be
22 followed by Council Member Reyna, if you could sum
23 up.

24 COUNCIL MEMBER JAMES: My last
25 question is to what extent does HPD take into

1
2 consideration fair housing laws? I know, you
3 know, unfortunately under the last eight years,
4 this country has ignored fair housing laws and
5 that's why we live separately, separate and apart,
6 we live more segregated now than in the aftermath
7 of Brown versus Board of Education, it's rather
8 unfortunate that people of color are pushed out to
9 the outer boroughs and that we have again and it
10 has had a major impact on our lives in terms of
11 income, education, etc. To what extent does HPD
12 take into consideration fair housing laws? Is
13 there an analysis done under fair housing laws? I
14 tend to see discrimination, unfortunately, just
15 being further exasperated in the city of New York
16 as a result of our policies and it's unfortunate.

17 ACTING COMMISSIONER JAHR: You
18 know, it's the law of the land and it's the law of
19 the state and it's the law of the city and HPD is
20 committed to upholding the law just as all other
21 agencies are. I think that, you know, from the
22 standpoint of the marketing of units under--that
23 are produced under the Mayor's housing plan,
24 they're subject to very rigorous marketing and
25 lease up guidelines to ensure that any form of

1
2 discrimination is prevented from happening. So I
3 think there's a commitment to uphold the law of
4 the land, both because it's the law and also
5 because it's right.

6 COUNCIL MEMBER JAMES: No, I
7 recognize that it's a law of the city of New York
8 and in the country and it's in our Constitution
9 and there was struggle over this, but,
10 unfortunately, notwithstanding the existence of
11 the law, I recently, I just don't see--basically
12 when you do an analysis of where all of the
13 affordable housing is being sited, unfortunately,
14 it's not being sited evenly and equally in the
15 city of New York and, again, it's unfortunately
16 leading to segregated housing patterns and I would
17 urge that--I have a piece of legislation, I would
18 urge you to look at that legislation and that, not
19 only are we committed, but in fact, we practice
20 fair housing laws in this country. Thank you.

21 ACTING COMMISSIONER JAHR: Thank
22 you.

23 CHAIRPERSON DILAN: Since you're
24 promoting your legislation, you want to give him
25 the Intro number if you know it? If you know it.

You'll get it for him? All right.

Council Member Reyna.

COUNCIL MEMBER REYNA: I just
wanted to understand--

ACTING COMMISSIONER JAHR: Yeah.

COUNCIL MEMBER REYNA: --the 62,000
available unoccupied units, do they include public
housing units?

ACTING COMMISSIONER JAHR: No. No,
I don't believe so, I want to double-check on
that, but I'm fairly certain they're not included
within that unit count. Just as in that million
or so rental units public housing units are not
included in that number as well, they're separate
category.

COUNCIL MEMBER REYNA: This is the
private market.

ACTING COMMISSIONER JAHR: Yeah, so
the million or so of rental units is the private
market. both regulated and unregulated.

COUNCIL MEMBER REYNA: And these
are rentals under \$1,000. Correct?

ACTING COMMISSIONER JAHR: I'm
sorry?

COUNCIL MEMBER REYNA: Rentals
under \$1,000.

ACTING COMMISSIONER JAHR: Well the
data is parsed by different, you know, rental
amounts so it starts in the 500 and under, 500 to
799, and it goes up from there.

COUNCIL MEMBER REYNA: So this is
above 500, under 1,000.

ACTING COMMISSIONER JAHR: Well
which? What number are we talking about?

COUNCIL MEMBER REYNA: You gave a
citywide figure--

ACTING COMMISSIONER JAHR:
[Interposing] We gave you a number of 68,000
units, and the 68,000 units encompasses all those
units that are included at different contract rent
amounts starting at below 500 and going to above
\$2,500 a month in rent.

COUNCIL MEMBER REYNA: But you
don't know the figure under \$500 a month.

ACTING COMMISSIONER JAHR: It's a
small number of units and therefore, you know,
statistically it's complicated to actually say
this is the precise number of units here. We all

1
2 recognize though that it's a very small number of
3 units, that's not in question.

4 [Crosstalk]

5 COUNCIL MEMBER REYNA: And so the
6 8,500 units available was a borough wide number?

7 ACTING COMMISSIONER JAHR: No, is
8 that borough? No.

9 MS. GAUMER: It's a citywide--

10 ACTING COMMISSIONER JAHR: Citywide
11 number.

12 COUNCIL MEMBER REYNA: Eighty-five
13 hundred.

14 ACTING COMMISSIONER JAHR: Yes,
15 citywide number.

16 COUNCIL MEMBER REYNA: Citywide
17 available units that are above 500, but below
18 \$1,000.

19 ACTING COMMISSIONER JAHR: Yeah,
20 Liz.

21 MS. GAUMER: I believe all of you
22 have the tables for the initial findings, what
23 we're talking about is Table 7 if anyone wants to
24 reference this. So this is by categories of
25 contract rent levels again citywide--

[Crosstalk]

CHAIRPERSON DILAN: [Interposing] I just want to--and I got to stop you for a second. Just the table she speaks of is attached to the Committee Report on--the specific report is under Reso 1815 and it'll be in the back of that.

Okay. You can continue.

MS. GAUMER: Thank you. So, again, Table 7, this is broken down by monthly rent level, and this is contract rent so this does not include utilities unless those happened to be in the lease, the monthly lease rent. So the total citywide regardless of rent, this is the top line here, is 61,762 in 2008, that's vacant available for rent. If you see here there is no number provided in this table for less than 500, again, that's because it's a very small number. For 500 to 800, you see a 6,241 and for 800 to 1,000 is the 8,589. So we're talking about, just under 15,000 units rent between 500 and \$1,000, the number that is vacant and available for rent in 2008 according to the HVS.

COUNCIL MEMBER REYNA: I just wanted to, you know, all jokes aside just request

1
2 how does the public have access to where these
3 units are available, because I know of a family
4 that's sharing a two-bedroom unit and there's 12
5 people in this apartment.

6 ACTING COMMISSIONER JAHR: Right.

7 COUNCIL MEMBER REYNA: I don't
8 understand how is it that we live in New York City
9 and people who are seeking affordable housing,
10 where there's an opportunity, one of 8,500 units
11 available, that we have no access to this
12 information. And I understand this is the private
13 market, but the survey is supposed to measure up
14 to trying to get some resolution. And so. Again,
15 I ask, you know, the purpose or mission of this
16 survey, if we don't have an understanding as to
17 how we can match up New Yorkers to the actual
18 findings that we're making available, then what
19 are we accomplishing?

20 ACTING COMMISSIONER JAHR: Well,
21 Councilwoman, I think this survey has a very
22 specific purpose. Its purpose is on a tri-annual
23 basis to determine whether housing emergency
24 exists within the city of New York and to do that
25 it determines what the vacancy rate in the city is

1
2 for rental housing units, both regulated and
3 unregulated. And that fundamentally despite table
4 after table, page after page of statistics and
5 data, which are very helpful for all of us,
6 fundamentally there is one number that counts in
7 this survey, one, and that number is 2.88% and
8 that says there is a housing emergency in the city
9 of New York, that's it.

10 COUNCIL MEMBER REYNA: And I'm just
11 letting you know--

12 ACTING COMMISSIONER JAHR: Yeah.

13 COUNCIL MEMBER REYNA: --Mr. Jahr--

14 ACTING COMMISSIONER JAHR: Yes, of
15 course.

16 COUNCIL MEMBER REYNA: --I have
17 human faces they're telling me that is the case as
18 well.

19 ACTING COMMISSIONER JAHR: Yeah,
20 and I share the concern and I think the
21 Administration shares your concern about those
22 faces, that's why we have a housing plan and
23 that's why, when it comes to marketing and leasing
24 the units under that housing plan, that they're
25 subject to rigorous requirements and they're all

1
2 publicly, you know, advertised both in newspapers,
3 as well as on HPD's website. As for the private
4 market--

5 COUNCIL MEMBER REYNA:

6 [Interposing] Well I have since 2005--

7 ACTING COMMISSIONER JAHR: --it's a
8 different issue.

9 COUNCIL MEMBER REYNA: --the
10 rezoning in Greenpoint-Williamsburg--

11 ACTING COMMISSIONER JAHR: Yeah.

12 COUNCIL MEMBER REYNA: --there are
13 public sites that have not been developed that
14 were supposed to be part of the 33% affordable
15 housing units that were promised and not a single
16 one of them has been built. As a matter of fact,
17 not a decision has been made on behalf of HPD and
18 a delay three years later and 8,500 units in 2008
19 compared to 14,000 units in 2005 between the
20 rental range of 800 to \$999 clearly states we're
21 losing a faster rate of units than ever before and
22 we're not replacing them with anything and my
23 district is living proof of that.

24 So I'd like to understand, what is
25 the expectation after this particular survey has

1
2 been completed as to the rental units that are
3 available to dealing with rent stabilization--

4 ACTING COMMISSIONER JAHR: Right.

5 COUNCIL MEMBER REYNA: --and my
6 question as far as HDFCs is a huge component to
7 this discussion and we don't even categorize
8 according to the data that you have here under
9 different areas. So Council Member Vacca had
10 asked about the Mitchell-Lama, Mitchell-Lama plays
11 a huge component in the affordable housing market
12 place, so does HDFCs and we have very little
13 restrictions on HDFCs, so HDFCs that at one point
14 were created with a \$200 value are being turned
15 over for a profit margin that far exceeds what it
16 was ever created for, and that's a clear
17 indication that we're losing units, and we don't
18 need to if we start dealing with those issues. So
19 as far as the HDFCs are concerned, how are we
20 placing policy to preserve those HDFCs?

21 ACTING COMMISSIONER JAHR: Well all
22 the HDFCs, at least those under the Tenant Interim
23 Lease program or came through the TIL program are
24 subject to regulatory agreements, we have an
25 obligation and responsibility to monitor and

1
2 enforce the regulatory agreements and I think
3 that's a responsibility that we take seriously and
4 we attempt to implement.

5 COUNCIL MEMBER REYNA: So I ask
6 once again, how many of the loss--

7 ACTING COMMISSIONER JAHR: Right,
8 but this data, Councilwoman, isn't designed to
9 address that question. It's not that the question
10 isn't an important question, it's that this data
11 though in this study is not designed to answer
12 that particular question.

13 COUNCIL MEMBER REYNA: And is HPD
14 going to have the intention of creating a survey
15 or create a data analysis in reference to the loss
16 of HDFC units?

17 ACTING COMMISSIONER JAHR: Well we
18 can certainly go back and I can sit down and speak
19 to the folks who are responsible for that area and
20 see what data we have and what data can be
21 produced to address your question. I can't make a
22 promise as to--or assurance as to what would come
23 out of that discussion, but I understand the
24 question you're asking, it's a fair one, it's an
25 important one, we'll talk internally at HPD about

1
2 it.

3 COUNCIL MEMBER REYNA: And I hope
4 that we can continue the discussions of our 2005
5 points of agreement for affordable housing to the
6 Williamsburg-Greenpoint rezoning, not a single
7 unit of the public owned sites has been built.
8 Thank you.

9 CHAIRPERSON DILAN: Okay. We have
10 Council Member Brewer.

11 COUNCIL MEMBER BREWER: Thank you
12 very much. I just want to clarify something, I'm
13 a huge supporter of rent stabilization and rent
14 control because I think it keeps the middle-class
15 in New York City, and I get really tired of some
16 of the newspapers. one in particular, that lists
17 people who have a lot of money in these units
18 because there are very, very few for anybody who
19 is in the community, there are a few, but very few
20 have high income in these units. So my question
21 is when you say Manhattan has increased rentals,
22 23,900, but those are all unregulated, is that
23 correct? And when you say there are 60, whatever
24 it is 62,000 units available in these categories
25 in Table 7, those are all unregulated, is that

1
2 correct?

3 ACTING COMMISSIONER JAHR: I don't
4 believe so, Councilwoman.

5 COUNCIL MEMBER BREWER: So how
6 would we know what's--

7 ACTING COMMISSIONER JAHR: For
8 instance--

9 COUNCIL MEMBER BREWER: --regulated
10 and what's not?

11 ACTING COMMISSIONER JAHR: --well,
12 you know, I'm not certain whether we can net out
13 of this the number that were built without any
14 public subsidy or tax abatement and exemption and,
15 therefore, are market rate and how many have taken
16 in those sorts of benefits and, therefore, are
17 regulated. But, for instance, if you look--if you
18 went above 96th Street or 110th Street if you're
19 in East Harlem and if you're in Harlem, I would
20 hazard a guess that virtually every unit that's
21 been produced in those communities is in one form
22 or another regulated. It's a guess--

23 COUNCIL MEMBER BREWER: Okay. But-
24 -

25 ACTING COMMISSIONER JAHR: --but I

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think it's a fairly--

[Crosstalk]

COUNCIL MEMBER BREWER: --they're regulated with an abatement, which means they have an end gain.

ACTING COMMISSIONER JAHR: No, well in many instances, the projects, they will have an end gain, yeah, absolutely.

COUNCIL MEMBER BREWER: They have an end gain, that's what I'm trying to say.

ACTING COMMISSIONER JAHR: It could be 30, 32 years, but there's an end gain.

COUNCIL MEMBER BREWER: And rent stabilization and rent control until the craziness with the vacancy decontrol and that's another story--

ACTING COMMISSIONER JAHR: Yeah.

COUNCIL MEMBER BREWER: --did not have an end gain and I think, I just I want to use this survey, I understand the point of it is to keep the vacancy at a certain number, I understand that, I've been around long enough to know that.

ACTING COMMISSIONER JAHR: I know that.

COUNCIL MEMBER BREWER: But the issue is, you should use it also as a policy. There's something wrong with saying there's 24,000 units and 62,000 units available when, in fact, they are not necessarily available to the middle-class in the city of New York, because even though it looks--

[Applause]

COUNCIL MEMBER BREWER: Wait, hold on a second--even though it looks like a big number, it doesn't say how many bedrooms, doesn't say if their studios, it doesn't have any policy application and I just want to be clear, because it sounds like we have all these rentals and yet many, many of them are either not affordable or not available for the long-term for the generations that make our city great.

So I just think we should look at this with a little bit closer eye when you give out these numbers and use it as a way--we've lost 300,000 affordable housing because of the rent regulation issues and I just want to be clear that this is good because it keeps the emergency there, but it's not good because it shows that we're not

1 going to be able to keep the middle-class here.
2 That's what I want to say, thank you.
3

4 ACTING COMMISSIONER JAHR: Thank
5 you.

6 CHAIRPERSON DILAN: Yeah, Council
7 Member Brewer, just my opinion, I think it
8 wouldn't hurt you to introduce a resolution to
9 request the data in that regard.

10 Okay. At this time, I want to give
11 the opportunity to members who have not asked a
12 question, an opportunity to ask a question if they
13 so choose. If not, I have a few in closing.

14 Okay. According to the technical
15 notes at the end of the HVS, the costs for
16 heating, rent-stabilized buildings increased an
17 average of 20% from May 2005 through April 2008.
18 Does HPD offer any assistance to property owners
19 who may have trouble heating their buildings?

20 ACTING COMMISSIONER JAHR:
21 Councilman, we don't offer direct assistance to an
22 owner who is experiencing duress because of
23 increased cost of gas and oil. As I think you
24 know, you know, that the cost of a barrel of oil
25 has come down significantly since last September

1 when it was above \$140 a barrel and now it's down
2 around \$40 a barrel, so we can all take some at
3 least temporary comfort from that, whether those
4 prices hold going forward in the future is another
5 issue. But we don't have a direct assistance
6 program to owners who are experiencing duress
7 because of increased fuel costs.
8

9 CHAIRPERSON DILAN: Okay. Does the
10 HVS or HPD have estimated percentages or actual
11 numbers as to how many newly constructed multiple
12 dwellings were added to the rent-stabilized
13 housing stock between 2005 in 2008 through the 421
14 (a) tax benefit?

15 [Off mic]

16 ACTING COMMISSIONER JAHR: Liz?

17 MS. GAUMER: Sure. Just give me
18 one moment here. I unfortunately, I just don't
19 have the numbers added up for that particular time
20 frame, but I can certainly do that and get back to
21 you with that exact time frame. What I can do
22 right now is give you calendar year--I'm sorry,
23 fiscal year numbers for--

24 CHAIRPERSON DILAN: Okay. We'll
25 take--

1 HOUSING & BUILDINGS AND STATE & FEDERAL 72
2 LEGISLATION

3 MS. GAUMER: --J51 and 421(a).

4 CHAIRPERSON DILAN: --we'll take
5 the fiscal year numbers and if you could get back
6 to the Committee for the years highlighted in the
7 question.

8 MS. GAUMER: Sure, and just to note
9 that the survey period is calendar years, so this
10 is obviously an approximation, I'll give you
11 fiscal year of '05, '06, '07, and '08.

12 CHAIRPERSON DILAN: Okay. So
13 you're giving both numbers combined? Could you
14 separate--

15 MS. GAUMER: No, no, I'll give you
16 421 (a) first.

17 CHAIRPERSON DILAN: Okay. So that
18 was a 421 (a) number, that first number you gave?

19 MS. GAUMER: No, I haven't given
20 you a number yet.

21 CHAIRPERSON DILAN: Oh, I thought
22 you did, sorry.

23 MS. GAUMER: So 421 (a), this is
24 the number of total units for fiscal year '05,
25 this is 2,438 to 2,438 units; for fiscal year '06,
again 421 (a) only, this is 4,168 units; for

1
2 fiscal year '07, this is 5,005 units; and for
3 fiscal year '08, this is 3,479 units.

4 For J51, fiscal year '05, this was
5 85,385; FY '06 is 96,085; FY '07 is 47,471; and
6 fiscal year '08 is 65,140. And these are approved
7 units for the programs as tracked by HPD.

8 CHAIRPERSON DILAN: Okay. The
9 numbers are sufficient, there's no need to get
10 back to us in writing, I'm sure that J51 numbers
11 in some way shape or form are helpful to Council
12 Member Garodnick.

13 Okay. I just want to look at two
14 final questions, and I just acknowledge that we've
15 been joined by Council Member Tom White.

16 How are the rent sets for a newly
17 constructed rent-stabilized unit?

18 ACTING COMMISSIONER JAHR: You
19 know, I think this, again, varies from program to
20 program. In the event of a development under one
21 or another of the city's programs, the rents would
22 be determined by both federal and city
23 regulations. So for instance, if it's a tax
24 credit deal, the rent is set at a number that's
25 equal to 30% of 60% of 30% of 58% of the area

1 median income and the tenant, who can occupy that
2 units income cannot exceed 30% of 60% of the area
3 median income. So that would be in the event of a
4 deal where it's been syndicated using what are
5 called tax credits and are subject to section 42
6 of the IRS code.
7

8 Under other programs, for instance,
9 with 421 (a), I think there is a process by which
10 rent roles or, you know, rent schedules are
11 submitted to HPD and at that point they're
12 reviewed by--the proposed rent schedules reviewed
13 by HPD staff and there is a rent setting formula
14 that's employed and HPD determines the initial
15 approved rents.

16 For units with J51, HPD has no
17 involvement with setting rents before they go into
18 stabilization unless other HPD loan programs have
19 rent requirements.

20 CHAIRPERSON DILAN: Okay. So I
21 just want to in a nutshell, for the units that you
22 create, it's either HPD, DHCR, or the federal
23 government's setting the rent, not the private
24 market, is that--

25 ACTING COMMISSIONER JAHR: That's

1
2 right.

3 CHAIRPERSON DILAN: --correct?

4 Okay. For J51, that's not--

5 ACTING COMMISSIONER JAHR:

6 [Interposing] The owner sets the rent and the rent
7 then is registered in the rent stabilization
8 system and is tracked through the rent
9 stabilization system.

10 CHAIRPERSON DILAN: Through DHCR.

11 ACTING COMMISSIONER JAHR: Yeah,
12 through DHCR, thank you.

13 CHAIRPERSON DILAN: Okay. I think
14 that sums it up for me. I'd like to thank--

15 ACTING COMMISSIONER JAHR: Thank
16 you.

17 CHAIRPERSON DILAN: --this panel for
18 providing testimony today.

19 We'll take a two-minute recess I
20 ask nobody to go nowhere, just to allow you guys
21 to exit, and then we can get the next panel up.

22 We'd like to thank you all and I'd
23 like to thank the members of the Committee for
24 their patience and indulgence with me today.
25 Thank you.

1
2 ACTING COMMISSIONER JAHR: Thank
3 you, thank you, Chairperson, and thank you,
4 Council Members, we appreciate it.

5 MS. GAUMER: Thank you.

6 [Pause]

7 CHAIRPERSON DILAN: Okay. I
8 understand we have a representative from Assembly
9 Member Gottfried's office.

10 PRESIDENT MARTY MARKOWITZ: Hey,
11 how you doing?

12 MALE VOICE 1: Good seeing you.

13 [Background noise]

14 SERGEANT-AT-ARMS: Quiet, please.

15 CHAIRPERSON DILAN: We are in
16 recess, we are still in recess, I don't want to
17 totally kill the celebration, it's appropriate
18 during recess, but I'm looking for--

19 SERGEANT-AT-ARMS: Keep it down,
20 please, quiet down, [off mic] outside.

21 CHAIRPERSON DILAN: --a
22 representative for Assembly Member Gottfried, who
23 signed the appearance card. If not, going once,
24 going twice, gone. Give me the next panel, he's
25 obviously not here.

1
2 Okay. Oh, she almost lost the
3 opportunity, almost lost the opportunity.

4 Okay. We're okay, Nick, we're
5 okay, she can take her time, I just wanted to make
6 sure she was here.

7 MS. CORY GREEN: Sorry.

8 CHAIRPERSON DILAN: It's okay.

9 SERGEANT-AT-ARMS: Quiet, please.

10 [Pause]

11 CHAIRPERSON DILAN: All right. I'd
12 like to ask the Chambers to come to order.

13 SERGEANT-AT-ARMS: Keep it down,
14 please.

15 [Off mic]

16 CHAIRPERSON DILAN: If the Chambers
17 could come to order, we'll reconvene with the
18 representative for Assembly Member Richard
19 Gottfried, if you can state your own name for the
20 record, and then you could read the Assembly
21 Member's statement.

22 MS. GREEN: My name is Cory Green
23 and I'm District Aid for Assembly Member Richard
24 Gottfried.

25 My name is Richard--

CHAIRPERSON DILAN: Hold up. If
the Chambers could please come to order.

MS. GREEN: My name is Richard N.
Gottfried. I represent the 75th Assembly District
in Manhattan, which includes the neighborhoods of
Chelsea, Clinton, Murray Hill, Midtown, and part
of the Upper West Side. My district has one of
the highest concentrations of rent-regulated
apartments in New York City.

I regret that the legislative
session in Albany makes it impossible for me to be
here in person to speak to you on an issue of
great importance to me--New York's rent laws.

I urge the City Council to pass
Introduction 923 and Resolution 1815, which will
renew the rent laws in New York City by declaring
a housing emergency and, by doing so, will
continue to protect over one million tenants.

I also urge the Council to approve
resolutions supporting state legislation to repeal
the Urstadt Law and to restore the City's ability
to strengthen the rent laws and to repeal vacancy
decontrol.

Preserving our rent laws is not

1 just a pocketbook issue. Rent regulations protect
2 the homes and neighborhoods of millions of New
3 Yorkers. All New Yorkers, including those who
4 don't live in rent-regulated apartments, benefit
5 from the family and community stabilities the rent
6 laws provide.
7

8 It's an issue that can be hard for
9 non-New Yorkers to understand. In some other
10 communities, a rented apartment is often little
11 more than transient housing--a place where a
12 student or someone new in town or a young couple
13 waiting to get settled might live. Moving out at
14 the end of a lease may be no big deal for them.

15 But in the New York metropolitan
16 area, most tenants consider their apartment and
17 their neighborhood to be their home. They've
18 lived there for years, and want and expect to live
19 there for years to come.

20 The rent laws guarantee them the
21 right to renew their tenancy and thus keep their
22 homes, and the right to renew a lease can only
23 work if there is a reasonable limit on how much
24 the landlord can raise the rent.

25 Without rent laws, a landlord can

1
2 throw a family out of its home for almost any
3 reason or for no reason. Having to move can mean
4 your children lose their school and friends, you
5 lose your neighborhood, and you bear the physical
6 and financial burden of moving. A landlord with
7 that kind of power and leverage has an open
8 invitation to rent gouge or to punish a tenant who
9 complains.

10 The law ought to help protect
11 people and stabilize their homes and families--
12 that's what New York's rent laws do. The rent
13 laws don't interfere with a property owner's
14 legitimate rights. Rent regulation gives them
15 substantial rent increases every one or two years
16 and entitles them to a fair return on their
17 investment. Tenants can be evicted for violating
18 the lease or violating the law.

19 The rent laws also do not
20 discourage investment in new housing because new
21 housing is exempt from the regulations and has
22 been for the last 35 years.

23 Some advocate ending the rent laws,
24 but they say they would try to protect the
25 elderly, disabled and poor people. But secure

1
2 homes and neighborhoods means more than that. All
3 tenants deserve protection, including working
4 people and their families, too.

5 Thank you for giving me the
6 opportunity to speak on this very important topic.

7 CHAIRPERSON DILAN: Okay. I'd just
8 like to at this time, just ask any of my
9 colleagues if they have any questions or a
10 statement they'd like to say on behalf of here.
11 If not, we'd like to thank you for your time. And
12 thank you for having your Member on the record.

13 MS. GREEN: Thank you.

14 CHAIRPERSON DILAN: Okay. The
15 first panel I'll call will be Mr. David Robinson
16 of Legal Services of New York, is Mr. Robinson
17 here? Yeah. Okay. Mr. Robinson here of the
18 Legal Aid Society? As well as Tom Waters from the
19 Community Service Society.

20 And we'll begin the two-minute
21 clock, we'll do it liberally, I'll ask you guys to
22 sum up, if it goes too long and, again, if you
23 can't finish your statements, we'll just ask that
24 all statements be entered into the record as if
25 read in full.

1
2 Okay. So I guess we'll begin in
3 the order that I called? All right, so just
4 identify yourself for the record and then you can
5 begin your testimony.

6 MR. ROBERT DESIR: Good morning, my
7 name is Robert Desir, I'm a staff attorney with
8 the Legal Aid Society.

9 The Legal Aid Society and Legal
10 Services of New York City welcome the opportunity
11 to give testimony before the City Council Housing
12 and Buildings Committee, and the Committee on
13 State and Federal Legislation. We urge the City
14 Council to pass Intro 923 and Resolution 1815.
15 The renewal of rent stabilization is critical to
16 the preservation of affordable housing in New York
17 City.

18 We also urge the Council to pass
19 the state legislative resolutions supporting bills
20 that would restore Home Rule to the city to
21 regulate rents and repeal deregulation of rent-
22 stabilized apartments renting for \$2,000 or more
23 upon vacancy.

24 The Legal Aid Society is the oldest
25 and largest program in the nation providing direct

1
2 legal services to low income families and
3 individuals. The mission of the society's civil
4 practice is to improve the lives of low income New
5 Yorkers by helping vulnerable families and
6 individuals to obtain and maintain the basic
7 necessities of life-- housing, healthcare, food
8 and sustenance, income, or self-sufficiency. The
9 Society's legal assistance focuses on enhancing
10 individual, family, and community stability by
11 resolving a full range of legal problems in the
12 areas of immigration, domestic violence, and
13 family law, employment, housing and public
14 benefits, foreclosure prevention, elder law, tax,
15 community economic development, health law, and
16 consumer law.

17 We come today in support of Intro
18 923 and Resolution 1815. The renewal of the rent
19 stabilization law is essential for low income New
20 Yorkers. Contrary to certain myths, rent-
21 stabilized tenants are primarily of low and
22 moderate income. Forty-two percent of poor and
23 near poor households live in rent-regulated
24 housing and 43% of tenants in rent-regulated
25 housing are poor or near poor.

1
2 In addition to regulating rent
3 increases, the rent stabilization law provides
4 crucial tenure protections that tenants in
5 unregulated private housing lack. These
6 protections include the right to lease renewals,
7 succession rights for remaining family members,
8 eviction restricted to causes specified in law--
9 all of which provide tenants with security that
10 allows them to work and thrive in these
11 challenging times.

12 Rent-stabilized tenants also have
13 an enforcement system in the courts and the state
14 Division of Housing and Community Renewal.

15 Finally, in an increasingly
16 segregated city, rent stabilization provides some
17 racial and economic integration in gentrifying
18 neighborhoods.

19 I realize my time has passed,
20 however, I would like to point you to the
21 statistics that are on page 12 of my testimony
22 that specifically talk about the makeup of rent-
23 stabilized tenants which dispel a lot of the myth-
24 -

25 CHAIRPERSON DILAN: [Interposing] I

1
2 think I'd like to do that, but I'm not certain
3 that we have a copy of your--oh, it's a joint
4 testimony?

5 MR. DESIR: Yes.

6 CHAIRPERSON DILAN: Okay, great,
7 okay.

8 [Off mic]

9 CHAIRPERSON DILAN: Okay. Page 12?
10 Okay, go ahead.

11 MR. DESIR: Page 12, it does speak
12 extensively and provides statistics on the makeup
13 of tenants residing in rent-stabilized housing and
14 the income levels of tenants that are residing in
15 rent-stabilized housing. We'd like that to be
16 entered into the record and considered and we urge
17 passing of the resolution and the introduction.
18 Thank you.

19 CHAIRPERSON DILAN: Okay. It'll be
20 entered into--your entire statement actually will
21 be entered into the record, so it'll be included.

22 MR. DAVID ROBINSON: Okay. My name
23 is David Robinson, I'm with Legal Services--

24 [Crosstalk]

25 CHAIRPERSON DILAN: [Interposing]

1
2 Yeah, I think you need to turn on the mic and just
3 restate your--

4 [Crosstalk]

5 MR. ROBINSON: Okay. All right.
6 Thank you. My name is David Robinson, I'm a staff
7 attorney with Legal Services NYC, legal support
8 unit. Thank you again for the opportunity to
9 testify today. I'm going to supplement what
10 Robert of Legal Aid Society had to say by talking
11 about the need to repeal the Urstadt law and to
12 repeal vacancy decontrol, not that you can do
13 that, but your support for the state legislature
14 in doing that and we thank you again for your
15 leadership on this issue.

16 The Urstadt law prevents our city
17 and our elected representatives from really having
18 control over the housing stock in our city and by
19 repealing the Urstadt law, you would again have
20 the power to regulate housing as we see fit or at
21 least go much farther than you are able to now,
22 which is essentially simply to renew the rent
23 regulation laws, and it would put our housing back
24 in our hands.

25 Then supporting the state

1
2 legislative resolution having to do with vacancy
3 decontrol is absolutely essential. This repeal of
4 this unfortunate law that came into being in 1993
5 and 1997 is an essential priority of tenants
6 advocates in New York City and around the state
7 and is absolutely essential in preserving the
8 housing stock and preventing homelessness.

9 What we've really seen since the
10 passage of vacancy deregulation, despite the fact
11 that it is misnamed luxury deregulation, it is
12 something, it's a phenomenon that really does
13 affect low income people because what it does is
14 gives landlords the incentives to drive tenants
15 from their homes in order to bring in higher
16 paying tenants. What they'll do when an apartment
17 becomes vacant is to make individual apartment
18 improvement increases, these improvements are
19 unmonitored by the DHCR, landlords typically
20 exaggerate the amount of the improvements. They
21 then take the 20% vacancy allowance they're now
22 entitled to, exaggerate the cost of the rent,
23 deregulate the apartment, the whole process is
24 unmonitored and the city loses a valuable housing
25 stock and this contributes increasingly to the

1
2 city's homelessness program.

3 In addition to get the previous
4 tenants out, landlords often resort to harassing
5 tactics, certainly the passage of the harassment
6 law is an improvement in defending against this,
7 but the repeal of vacancy decontrol would be
8 really an essential part in trying to preserve our
9 housing stock and better our city.

10 Thanks again for the chance to
11 testify and thanks for your leadership.

12 CHAIRPERSON DILAN: Thank you.

13 MR. TOM WATERS: Thanks for this
14 opportunity to comment on the city's vitally
15 important rent control and rent stabilization
16 laws. I'm Tom Waters, Housing Policy Analyst with
17 the Community Service Society, which is an
18 independent nonprofit organization that through
19 research, advocacy, and programs, addresses some
20 of the most urgent problems facing low-wage
21 workers in their communities in New York City,
22 very much including the effects of our chronic
23 housing shortage.

24 Rent-regulated housing is the most
25 important component in the city's housing stock

1
2 for low-wage workers. Well over a million low
3 income people--people with incomes below twice the
4 poverty line--live in rent-regulated housing and
5 that is much, much more than in public and
6 subsidized housing combined.

7 I don't think enough, I mean,
8 everyone knows that rent regulation is important,
9 but I don't think people realize how important
10 because it is a vital protection for these low
11 income tenants because none of them can afford the
12 going rate for a vacant apartment in any
13 neighborhood of the city. A family of three with
14 an income at twice the poverty rate has \$35,200 a
15 year and it can therefore afford \$880 a month in
16 rent using the 30% standard that's generally
17 accepted. There is no neighborhood where that can
18 get you a two-bedroom apartment or an apartment
19 appropriate for a family of three. We heard that
20 they're 8,500 apartments according to the survey
21 from 800 to 1,000, so that's about 20%--so that's
22 about 15% of the vacant apartments the survey
23 found. So you can guess, you know, that's the
24 worst 15%, those are primarily studios and other
25 apartments with problems that make them

1
2 inappropriate. There are no apartments available
3 for people in this income range except via subsidy
4 and regulation. The market doesn't provide for
5 them.

6 So we're talking about a million
7 people who have no where to go if it were not for
8 rent stabilization.

9 Last week, the Census Bureau
10 released the underlying data for the 2008 New York
11 City Housing and Vacancy Survey ,which is what
12 enables you to determine that there's still a
13 housing emergency and it enables us to really take
14 a closer look at how the housing shortage is
15 affecting New Yorkers. The survey found that 22%
16 of rent-stabilized tenants are poor, 21% are near
17 poor--this answers a question that somebody
18 offered before--so 22% are poor, 21% are between
19 poverty and double poverty, what we call near
20 poor, another 27% have incomes from two to four
21 times the poverty threshold. The survey also
22 found that 22% of rent-stabilized tenants are
23 black, 32% are Latino, 9% Asian, and 53%, more
24 than half of tenant households, are headed by an
25 immigrant or a person born in Puerto Rico. So

1
2 that adds up to a group of tenants who are much
3 poorer, less white, and more likely to be
4 immigrants than the city at large.

5 Our economy has now entered a
6 recession, which is going to have dire
7 consequences for the city's low-wage working
8 households--

9 [Crosstalk]

10 CHAIRPERSON DILAN: [Interposing] I
11 wonder if I could ask you to summarize, if you
12 could summarize please.

13 MR. WATERS: Okay. The main point
14 that I want to make is that what we've seen over
15 the past decade or so is that every single
16 advance--this survey was taken when the economy
17 was relatively good, before we started being
18 affected by the recession, it was taken last
19 spring--so if you compare that to 10 years ago,
20 we're talking about a time when low income people
21 made great--poor people especially had rising
22 incomes and the economy was mostly pretty good,
23 but what happened after you consider rent is that
24 things got much worse for poor people--they get
25 worse for poor people and they got much worse for

1 near poor people. All of the advances in the
2 city's economy during the whole Bloomberg
3 Administration and during a part of the Giuliani
4 Administration before that, all of the advances
5 went to landlords while poor and near poor people
6 slid backwards. It's often said that the economic
7 boom of the city produces benefits that outweigh
8 their affect on the housing shortage, the survey
9 says that's not true. Things are getting worse
10 because they're getting better, they really
11 getting worse for low income people.
12

13 And, you know, rent regulation is
14 an attempt to respond to that and it does have
15 some affect, the hardships are less severe for
16 regulated than for unregulated tenants, but it's
17 getting worse for both regulated and unregulated.
18 The reason for that is the weakening of the laws,
19 vacancy decontrol, excessive rents, increases on
20 vacancy, preferential rents--that's a central
21 reason why things are getting worse for regulated
22 tenants too and so I'm calling on you, not only to
23 extend rent control and rent stabilization, but
24 also to pass these two resolutions. Thanks.

25 CHAIRPERSON DILAN: Okay. Do we

1
2 have any questions for this panel? If not, I'd
3 like to thank you all for coming in and providing
4 your time and your passionate testimony. Thank
5 you.

6 Okay. Next, we have Mr. Frank
7 Ricci, Jack Freund, and Mitch Facilkin, as well as
8 Patrick Siconolfi.

9 [Pause]

10 Okay. Just for the benefit of the
11 audience, I am going to close--in five minutes I'm
12 going to close the sign up portion of the public
13 testimony so I just want to state again at this
14 time, if anyone wishes to testify on any item
15 before the committee's agenda, please see the
16 Sergeant-at-Arms and fill out an appearance card,
17 and that will close within the next five minutes,
18 and if you don't sign up now I'm going to lock up
19 the testimony. If you do intend to speak, please
20 make sure you have one in, and if you want to
21 double-check that you have yours in, you might
22 want to check with the Sergeant-at-Arms as well.

23 Okay. I'd like to begin with this
24 panel. Mr. Ricci?

25 MR. FRANK RICCI: Thank you, Mr.

1 Chairman, Members of the Committee. My name is
2 Frank Ricci, I'm the Director of Government
3 Affairs for the Rent Stabilization Association; on
4 my left is Mitch Posilkin [phonetic], our general
5 counsel, and on my right, Jack Freund, the
6 Executive Vice President and I'll let Mr.
7 Siconolfi introduce himself when he gives his
8 testimony.
9

10 We handed in testimony, I'm going
11 to summarize in accordance with the request of the
12 Chair. I'm not going to go over a lot of the
13 statistics that you've already heard today since I
14 know that it gets very tiring after a while and
15 confusing, but there are a couple of things in the
16 statistics in the Housing and Vacancy Survey that
17 I think we would like to highlight.

18 Let me just also say that, you
19 know, we're realists, we understand that these
20 laws are going to pass the Council, but as I said
21 there a couple of items in the Housing and Vacancy
22 Survey that I do think need to be highlighted.

23 The first one was actually
24 something that one of the committee members asked
25 Mark Jahr, the Acting Commissioner of HPD about

1
2 New York City Housing Authority units, and I think
3 he answered incorrectly, but Housing Authority
4 units are included in the vacancy survey. So all
5 income restricted type housing in New York City is
6 included in the HVS. So effectively the Housing
7 Authority and other programs that the city
8 administers, we essentially always have a zero
9 vacancy rate because there's waiting lists that
10 lasts for years--that is included. And, in our
11 opinion, it shouldn't be included because they're
12 not generally available to the public on a regular
13 basis.

14 The vacancy rate calculation also
15 excludes 140,000 units which are vacant but
16 unavailable for rent and that's twice as much as
17 the 64,000 that are vacant and available for rent.
18 Within that group, there is 48,000 apartments that
19 are undergoing renovation. That means someone's
20 vacated, they've left the apartment either in poor
21 condition or they're old enough that the owner
22 needs to upgrade them. So if you included those
23 apartments in that, because within usually within
24 a month or two or three, those apartments are back
25 on the market, you would probably pierce that 5%

1
2 vacancy rate that you need to declare an
3 emergency.

4 I just want to say that, you know,
5 in the last 12 years, the housing stock in New
6 York City as is pointed out by many of the
7 statistics in the Committee Report done by the
8 Council, as well as the presentation by HPD, shows
9 that the housing stock has grown dramatically and
10 that the quality of the housing stock in the city
11 has improved dramatically, successively after
12 every survey, and that's due in no small part to
13 the amount of capital that's been flowing into
14 owners that they can put back into apartments, as
15 well as city programs.

16 And there's been some discussion
17 today about some of the decontrol laws that
18 involve apartments that rent for over \$2,000 a
19 month. This is helped every strata of owner out
20 there, whether you're a small owner, a medium-
21 sized owner, or a large owner, that extra income
22 in those buildings has for the large part gone
23 back into the housing stock of the city and its
24 kept the housing stock afloat, it's kept it
25 viable, it's made the quality go up.

1
2 three years ago, the Finance Commissioner and then
3 the Office of OMB actually reversed her on the
4 policy, but even they recognized that the tax
5 burden for small buildings is grossly unfair and
6 way out of kilter compared to other larger
7 buildings.

8 So, with that, I'm going to close
9 it and if Jack or Mitch would like to add
10 anything, I'll turn it over to them.

11 MR. JACK FREUND: Let me thank you,
12 members of the Committee. My name is Jack Freund,
13 I'm the Executive Vice President of the Rent
14 Stabilization Association.

15 Let me just add to Frank's
16 testimony that the general point here is you're
17 your legislative mandate is not just a look at the
18 vacancy rate, but to look at the overall condition
19 and availability of housing and on that score
20 you've heard from HPD housing's never been better,
21 there hasn't been more of it, it's never been in
22 better condition, so on that basis alone there is
23 no housing an emergency and we believe that the
24 only basis on which there is, which is the vacancy
25 rate, is really a bogus number for a number of

1 reasons that Frank has just elucidated and it is
2 in our testimony.
3

4 But beyond that, if you look at the
5 vacancy rate data, if that's your concern, you
6 should also be aware that if you parse the data a
7 little differently and you look at where the 5%
8 vacancy rate is breached, it really starts at
9 \$1,200 a month for all apartments renting for
10 \$1,200 or more per month, the vacancy rate exceeds
11 5%. So for the vast majority of the city's
12 housing stock, there clearly is no housing
13 emergency and we'd ask you to take that into
14 consideration, especially when you consider
15 support of state legislation which would lower the
16 decontrol limit, which would raise the decontrol
17 limit at a time when the vacancy rate for higher-
18 end apartments has really increased. Thank you.

19 CHAIRPERSON DILAN: Okay. Thank
20 you.

21 MR. PAT SICONOLFI: Good morning,
22 my name is Pat Siconolfi, I'm the Executive
23 Director of the Community Housing Improvement
24 Program. CHIP represents primarily small and
25 medium-sized owners of regulated property.

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3 Couple of things I'd like to say,
4 you are looking at the Housing Vacancy Survey and
5 its 2.9% vacancy rate, but there are other things
6 that you can look at in making your decision about
7 whether or not to renew the emergency and the most
8 important thing, more important than the HVS, is
9 the 66 years experience we've had with this
10 program--66 years. After the housing emergency
11 was declared, the city and the state continue to
12 rely on price controls as their primary housing
13 policy--that's it. But it's the price controls
14 themselves we contend which create the housing
15 emergency and the proof is actually in the data in
16 the HVS. Were it not for the price controls, you
17 would not have those shortages. Price controls
18 always lead to shortages, and that's something we
19 can show throughout history, modern American
20 history.

21 The ultimate solution to the
22 question of housing affordability is to make
23 buildings affordable and this means housing
24 policies which address the high cost of operating
25 buildings. Specifically, the highest cost, the
highest single cost of operating housing is taxes

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2 LEGISLATION

3 and payments to the government between that, you
4 know, that category is almost 40% of every dollar
5 that's spent on housing. If we're serious about
6 housing affordability, what we should be doing is
7 we should be freezing taxes, real property taxes
8 and payments to the city for the duration of the
9 emergency. If you really think there's an
10 emergency, then curtailing the single largest
11 expense would keep housing affordable.

12 Energy is a similar issue, I mean,
13 energy is taxed and that you could go a long way
14 to addressing energy affordability, that's our
15 second largest cost.

16 Labor is another issue, labor is
17 taxed and if those taxes were suspended for the
18 duration of the emergency, that would ensure
19 housing affordability as well.

20 These and similar policies would
21 enable government to respond without relying on
22 price controls--price controls as we say enforce
23 the emergency.

24 The one last thing I would mention
25 is that, you know, many of you say that you want
Home Rule on housing policy. You could have Home

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3 Rule tomorrow, or at least on April 1st if you
4 didn't vote for this resolution, and what you do,
5 the price controls go away, but what you do then
6 is you fall back on policies that kept buildings
7 affordable by controlling the cost of buildings
8 and you have that opportunity. Thank you.

9 CHAIRPERSON DILAN: Thank you. And
10 I just want to ask if any of my colleagues have
11 questions for this panel. Council Member James.

12 COUNCIL MEMBER JAMES: Bill, I sort
13 of can somewhat sympathize with you my question is
14 whether or not, if you in regards to price
15 control, why is there such reluctance by the
16 landlord industry against opening up their books?

17 [Applause]

18 CHAIRPERSON DILAN: I'd like to
19 keep the Chambers in order. I recognize that
20 there may be emotions and a point for applause or
21 reaction, but I don't want it to interrupt the
22 questioning, so you could maybe if you feel the
23 need, maybe reserve after the exchange has been
24 completed.

25 COUNCIL MEMBER JAMES: And let me
just say--

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3 CHAIRPERSON DILAN: Yeah.

4 COUNCIL MEMBER JAMES: --you know,
5 in order to have a discussion or a dialogue the
6 reason why we've asked for data from HPD is
7 obviously to analyze these numbers and you sort of
8 can't analyze these numbers, which are sort of
9 one-sided. So you can say that it's taxes and
10 energy, which it's probably true, but I need to,
11 in order for me to be an objective--to do an
12 objective analysis, I need to see your numbers.

13 MR. FREUND: It's a good question,
14 Councilwoman. And in fact, it is a misconception
15 that owners don't open their books, when in fact
16 they do--every year property owners file income
17 and expense statements with the city of New York.
18 And in fact, the city of New York analyzes those
19 income and expense statements and bases property
20 taxes on them, which feeds into something that Pat
21 Siconolfi said.

22 As income goes up in buildings, the
23 city raises taxes, raises assessments and raises
24 taxes, and that in turn results in the rent
25 guidelines we're looking at the increase in tax
and saying well we've got to raise rents to keep

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3 up with the property tax base payments. So we're
4 in a vicious cycle where the city raises taxes
5 resulting in rent increases and, as Pat indicates,
6 that's a good way of maintaining affordability if
7 you can shut down that cycle. But the fact is we
8 have a very clear picture of what income and
9 expenses are in residential buildings and they are
10 not what people commonly think they are. Overall,
11 citywide running rental properties is a very
12 little margin business, particularly, you know--
13 I'm not going to say that some people aren't
14 making money running rental properties, especially
15 in Manhattan, but overall, if you look at housing
16 in the boroughs, it is a very little margin
17 business and I think the numbers that we'll see
18 the Department of Finance this year will reiterate
19 that.

20 CHAIRPERSON DILAN: Okay. Council
21 Member James, just like I said to Council Member
22 Brewer, it may be a good idea to do some sort of
23 legislation or Reso on income and expense
24 statement and have the information to report that
25 to us in a general sense.

Council Member Fidler?

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3 COUNCIL MEMBER FIDLER: Yeah, I
4 would imagine that the single greatest economic
5 factor, other than the ones that you've mentioned,
6 are mortgage expense and interest expense and, you
7 know, people don't generally walk in and buy their
8 building--I'm talking particularly now about the
9 smaller property owners--don't walk in and buy
10 their building for cash. And while, on one hand,
11 rates are generally down, I would imagine that
12 credit is increasingly difficult to get in this
13 market and for my, you know, limited experience
14 with this stuff, banks when they're applying
15 credit are going to be looking at rent rolls and
16 profit and loss statements on buildings. So I'm
17 just curious what the--particularly on the vacancy
18 decontrol Reso, Assemblywoman Rosenthal's bill,
19 what affect that might have, particularly with its
20 retroactivity on the ability of a property owner
21 to leverage credit to reinvest in their building.

22 MR. FREUND: Again, a good
23 question, Councilman. I think it would have a
24 devastating impact on a great number of properties
25 where financing was predicated on a certain set of
assumptions and a projection of certain rent

1 revenues and if you come back in now and
2 retroactively say that the rules of the game have
3 changed, you're not going to have that rent
4 potential that you had. I mean that may very well
5 be cause for an underwriter or the loan originator
6 to call-in that loan, it would be a violation of
7 terms of that loan. And given the credit markets
8 as they are at some, you know, create problems for
9 an owner in being able to finance that.
10

11 But I think the issue you raise is
12 one that's of even more general applicability
13 because the history of rent regulations over the
14 66 years that we've had them has been one in which
15 the rules are constantly changing and you can't
16 finance and operate and run the housing industry
17 in a venue in which the rules constantly change
18 and I think the proposals in Albany and the
19 resolutions before you are, again, would have a
20 tremendous dampening effect in the investment that
21 we've just begun to see in the last few years
22 coming into the country, which we never had
23 before, before there was even a glimmer of an
24 opportunity for deregulation. That is what
25 brought increased investment into the city to the

1
2 benefit of the city in terms of increased taxes,
3 increased budget dollars for municipal services,
4 etc. Now if we turn back the clock on this
5 instead of expanding those opportunities for
6 deregulation where they're appropriate, where
7 there's no housing emergency, we'll be shutting
8 down the source of revenue for the city.

9 MR. RICCI: I just wanted to add
10 one thing, Councilman, and we've said this 'til
11 we're blue in the face to the Administration, but
12 the rental housing business in New York City is
13 not a business about the value of your building,
14 and, unfortunately, the tax assessor looks at the
15 value of buildings and, for a variety of reasons,
16 values have increased over the years. This is a
17 business about cash flow, so it goes to your
18 question about financing, but if you don't--
19 financing is based on the cash flow of the
20 building and to pay your bills and that's what
21 this business is all about, so I think it's an
22 appropriate question.

23 COUNCIL MEMBER FIDLER: I would
24 just say that I mean any one of us in this room on
25 this side of the table that has been in business

1 knows that cash flow is king that's what we all
2 say, so I get that and I do part company with you
3 on the issue of deregulation. I think
4 deregulation may be one of the things that has
5 gotten us into a lot of trouble in the banking
6 industry, it's on the vacancy decontrol that my
7 questions lie not on ending rent regulation in the
8 city of New York, which I think would be a
9 disaster.
10

11 But I just, you know, I've done a
12 lot of talking in this body and my colleagues know
13 about the lending crisis that we're in and I've
14 been doing it for three years now, and it just
15 strikes me that despite Assemblywoman Rosenthal's
16 best intentions, sometimes there are consequences
17 to things and it would occur to me that those
18 building owners who are in the same kind of
19 gimmick mortgages that one and two family home
20 owners are in with balloons and ARMs and all those
21 things, when those days come and that homeowner or
22 that property owner has to refinance and their
23 rent roll has been reduced retroactively that
24 we're going to find a lot of tenants in buildings
25 that have been foreclosed upon and, you know, that

would be a dire consequence.

And so I just would ask if you have any, you know, feeling about that or any data that would support that notion that I have which just strikes me as common sense.

MR. FREUND: Yes, I think it is common sense it's appropriate and it's right. Well maybe fortunately, I don't have data yet to point to that would bear out your convictions on this issue, but I agree. I mean, you know, hopefully we don't get to that point, but the possibility certainly looms and there have been some instances where a foreclosure actions, and we know the consequent threat to the tenants that would result from that and I think it's something to be avoided at all costs.

COUNCIL MEMBER FIDLER: No, I just wanted to, you know, just conclude by saying that those of us who've been working with the Center for New York City neighborhoods have started to focus on the consequences to tenants of this subprime lending crisis and it's a largely overlooked factor and it is something that I'm afraid we're going to feel more pain on in the

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3 future and I want to make absolutely certain that
4 we're mindful of, you know, what happens to
5 tenants when buildings go into foreclosure and I'm
6 not just talking about the ones in, you know, two
7 and three family buildings with one or two
8 tenants, but, you know, as it escalates to the
9 small apartment buildings in particular and those
10 owners that don't have accesses to loads of cash
11 like some of the wealthy larger buildings in the
12 city. And I think that's a part of the
13 conversation we need to be having when we're
14 looking at rent policy which, you know, in all due
15 respect, the gentleman from CHIPS I would rather
16 we be able to deal with here in the city of New
17 York, then give some State Senator in Ishkabible,
18 New York more say than the people of the city of
19 New York. So, you know, hopefully we'll be able
20 to take care of that in this legislative session,
21 if nothing else.

22 CHAIRPERSON DILAN: Okay. Thank
23 you, Council Member Fidler. Thank you, would like
24 to thank this panel for coming in and providing
25 the testimony.

Okay. Next I want to call up my

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3 borough President Marty Markowitz, Borough
4 President of Brooklyn.

5 [Off mic]

6 PRESIDENT MARKOWITZ: Thank you,
7 very, very much, Chairman Dilan and members of the
8 City Council for allowing me to share some of my
9 concerns on this most important issue. I know we
10 can all agree that is absolutely essential that we
11 do all we can to ensure that New York City is a
12 place for all income levels.

13 At this point, other than public
14 housing or Mitchell-Lama housing, the only sizable
15 affordable housing segment in our city are for
16 those residents covered by both rent-control and
17 the rent-stabilization laws.

18 The only way to maintain New York
19 City as an income-diverse city is to preserve and
20 guarantee rent protections. At the bare minimum,
21 we must renew these rent regulations without
22 question and, in my opinion, make them permanent,
23 without any sunset provision.

24 At a time when thousands of
25 residents sadly are losing their jobs throughout
our city, to remove rent control and rent

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2 LEGISLATION

3 stabilization would be nothing short of disastrous
4 and I know you agree with me.

5 According to the Coalition for the
6 Homeless report that came out last week, more than
7 500,000 renter households paid more than half
8 their income for housing--that's 27% of all city
9 dwellers--by the way, that includes me as well.
10 I'm a decontrolled tenant, and half of my take-
11 home pay goes towards my rent. We can all be
12 certain that as the economic situation
13 deteriorates unfortunately in the foreseeable
14 future, these numbers will continue to grow.

15 But I want to be clear--even when
16 the economic is strong in New York City, for a
17 very large percentage of our population, finding
18 affordable housing is still not attainable.

19 If I would have told you ten years
20 ago that tenants in the middle of Brooklyn or
21 Queens would be paying 2,000 or more for a one-
22 bedroom apartment, you would have said to me,
23 Marty, what are you smoking or drinking.

24 There was a time not long ago, when
25 if you paid \$1,500 for a one-bedroom apartment,
everyone assumed that you were quite affluent.

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3 But the fact is today, more than any other time in
4 our city's history, residents are using a greater
5 percentage of their income for rent--that is what
6 decontrol has wrought.

7 Today, every savvy landlord knows
8 exactly what to do--I've seen it time and time
9 again. When an apartment becomes vacant, their
10 goal is to get that apartment to the decontrolled
11 status when the rent becomes anything the market
12 will bear.

13 So what do they do, many of them?
14 They put in recessed lighting in the living rooms,
15 they put new cabinets and kitchen appliances, new
16 wood floors, renovated bathrooms--anything and
17 everything that will drive that rent up and then,
18 when you add the vacancy allowance and the rent
19 increase guidelines that are permitted for that
20 apartment, they have reached the promised land
21 known as decontrol.

22 In 2009, the increasing amount of
23 rent-controlled or rent-stabilized apartments
24 hitting the 2,000 threshold when all tenant
25 protections disappear is a crises already
impacting every borough in every neighborhood in

our city.

Now the future of New York City depends upon it being a place of low, moderate, middle incomes can continue to call home. And who am I talking about? Nurses and clerks, teachers and sanitation workers, firefighters, civil service workers, administrators, and, yes, even elected officials. I'm talking about a cross-section of the city--the bedrock of New York, the city's backbone and soul--without them, what kind of city would we have? The truth is we're forcing them out. The only thing saving them right now are rent-control and rent-stabilization.

Now I know you agree with me, we never want to see a city that is only home to the very rich and the very poor, but that what will happen if we don't take these steps.

At the moment, the vacancy rate in New York City we all know is less than 3%. We need strict rent regulation laws because with a vacancy rate that low, there is no competition, and without competition, we can't have a balanced market.

Urstadts, now you know I spent 23

1
2 years in the Senate and always thought it was an
3 outrage that a decision should be made locally,
4 should be made right here by the City Council
5 instead of being made by the upstate legislators.
6 Now I have to tell you, being in the legislature
7 all that years and watching the interest of my
8 upstate colleagues who couldn't care less about
9 rental housing in New York City, I could assure
10 you, and most of them haven't got a clue of what
11 we face here. In fact, for \$250,000, you can get
12 yourself a mighty fine looking home upstate. In
13 Brooklyn, you'd be lucky if you can get a walk-in
14 closet for that amount of money.

15 Having these decisions made in
16 Albany benefits nobody except the real estate
17 industry and its lobbyists for sure. The only
18 reason the Urstadt law exists--and Michael McKey
19 [phonetic] knows this--is because real estate
20 interests believe that their agenda will be
21 protected better in Albany than in New York City
22 [off mic].

23 It's clear that the overwhelming
24 majority of rent-regulated apartments are in New
25 York state, in New York City, almost a million,

1
2 and yet this is the one issue where New York City
3 is not allowed to decide its own fate.

4 It's my hope that we can not only
5 repeal the Urstadt law, but also to re-stabilize
6 all units that have become decontrolled. Some
7 would argue that we should raise the stabilization
8 rent to 2,500, I would go a little further--that
9 all the rentals under 3,000 should be re-
10 stabilized. Nobody would argue that at this level
11 these rents are artificially low and this would
12 give middle-income tenants the confidence of the
13 affordability of their homes was assured.

14 To Governor Paterson and Senate
15 Majority Leader Smith--oh, I love saying that--I
16 say now is the time. If not now, when? Now we've
17 waiting since the 70s for the chance to institute
18 on a local level the type of regulation we know
19 the city needs.

20 And I must tell, Councilman Fidler,
21 back in the 90s when Pataki pushed and rammed
22 through the changes in the rent laws that now we
23 have to live with--I said something on the floor
24 of the senate that I'll repeat now--let our people
25 go, so that all hard-working New Yorkers know that

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3 they'll always have a home in New York City, allow
4 the City Council to enact rent laws forever, as
5 far as I'm concerned.

6 Thank you very, very much.

7 CHAIRPERSON DILAN: Do any of my
8 colleagues have a question or a statement? Okay.
9 I just want to say to Marty, you know, if you're
10 paying 50% of your income--

11 PRESIDENT MARKOWITZ: I am.

12 CHAIRPERSON DILAN: --your rent's
13 pretty high, brother.

14 PRESIDENT MARKOWITZ: Take-home.

15 CHAIRPERSON DILAN: 'Cause your
16 salary is public.

17 PRESIDENT MARKOWITZ: Take-home, it
18 is, take-home.

19 CHAIRPERSON DILAN: Well what I
20 would say is I agree with some of your arguments
21 around Urstadt. You know, I think many people
22 maybe remember in 2006 I supported Urstadt at a
23 press conference and I anticipate that I'll do the
24 same, but I do find it interesting that one of the
25 agenda items being introduced today and it's not
exactly in line with the policy that you would

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3 approve in your statement is being introduced by
4 upstate Senator. So I just want to let you know
5 that, you know, upstate again is getting involved
6 in this and maybe in a way that, you know, maybe
7 some New York City senators may or may not like,
8 I'm not quite sure.

9 I just wanted to let you know that
10 for the record.

11 Council Member Fidler?

12 COUNCIL MEMBER FIDLER: And I just
13 wanted to add that I agree with almost everything
14 you said, Marty, the only thing I wish I could
15 agree with is this is the only thing that upstate
16 doesn't allow the city of New York to control in
17 regard to its own destiny, unfortunately, there is
18 some other things as well and, you know, quite
19 frankly, I would rather trust, you know, this
20 Council to for better or worse to govern the lives
21 of people in the city of New York than people who
22 absolutely no interest in our lives from upstate
23 New York and, unfortunately, there's more than one
24 example of that, not just this.

25 PRESIDENT MARKOWITZ: Well the
reason why I mentioned the housing one,

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3 Councilman, is that obviously the most significant
4 campaign contributor, especially for upstates and
5 suburban legislators is the real estate industry.

6 MALE VOICE: Well I thought it was
7 Mike Bloomberg.

8 PRESIDENT MARKOWITZ: And it's
9 really, I mean, I completely understand the real
10 estate industry and why they don't want you,
11 Members of the City Council, have the right to
12 vote on legislation, I completely understand that.
13 But clearly watching the state Senate for 23
14 years, I understand, and the truth of the matter
15 is, except for that upstate legislature, I don't
16 know who it is, Chairman, I have no idea, but I'm
17 glad if that person cares about our issues here
18 and is going to be supportive, that'd be
19 tremendous.

20 Even if the state Senate was
21 supportive of our issues, it still belongs right
22 here because overwhelmingly it impacts New York
23 City and very little upstate, as you know. So
24 thank you very much, thank you for the great job
25 you're doing, Chairman Dilan.

CHAIRPERSON DILAN: Yeah, I would

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3 also agree with that statement, I would say
4 regardless of what my final disposition on any
5 issue is, I always prefer that the city control
6 its own destiny whether I agree with the issue or
7 not.

8 So I'd like to thank you for your
9 time--

10 PRESIDENT MARKOWITZ: Thank you,
11 Chairman.

12 CHAIRPERSON DILAN: --Mr. Borough
13 President and--

14 PRESIDENT MARKOWITZ: Thank you.

15 CHAIRPERSON DILAN: --I'll see you
16 in the neighborhood.

17 PRESIDENT MARKOWITZ: Thank you.

18 CHAIRPERSON DILAN: Okay. Next we
19 have Jackie Del Valle, Allison Tupper, and Terry
20 Bocanelli and if I incorrectly pronounced the
21 name, could you please correct me for the record.

22 [Pause]

23 Okay. Why don't we begin with Ms.
24 Del Valle and then Ms. Tupper, and we like to let
25 the ladies go first here [off mic].

Okay. You may begin.

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3 MS. JACKIE DEL VALLE: Okay. You
4 can hear me?

5 CHAIRPERSON DILAN: No, if you
6 maybe push the button on your mic.

7 MS. DEL VALLE: How's that?

8 CHAIRPERSON DILAN: That's great.

9 MS. DEL VALLE: All right. My name
10 is Jackie Del Valle, and I'm the Director of
11 Organizing for Housing Conservation Coordinators.

12 I'd like to start by first thanking
13 City Council Member Housing Chair Dilan for
14 holding these hearings about regulation today.

15 Housing Conservation Coordinators,
16 HCC, is a 35-year-old not-for-profit organization
17 based in Clinton Hell's Kitchen that seeks to
18 preserve safe, decent, and affordable housing.

19 Hell's Kitchen is a low-rise
20 residential community, which borders on midtown
21 Manhattan in the theater district. Hell's Kitchen
22 is primarily a rental neighborhood with 80% of its
23 residents living in rental apartments. Its
24 housing stock is predominantly prewar five and six
25 story walk-up tenements. According to the Firman
[phonetic] Center report in 2005, 61.5% of

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3 community district 4's rental housing, which is
4 comprised of both Hell's Kitchen and Chelsea,
5 remain subject to rent regulation. The
6 affordability of these rental units continue to be
7 vital, particularly in prime location like Hell's
8 Kitchen where rents continue to rise above the
9 city average. This trend will only continue as
10 units are removed from rent regulation. Between
11 1994 and 2006, more than 159,000 New York City
12 apartments removed for regulation--this is from
13 the New York City Rent Guidelines Board Market and
14 Trends 2007. Of these, 159,000 units, vacancy
15 decontrol alone accounted for the removal of
16 60,886 units--that's well over one-third.

17 Landlords are clearly trying to
18 take advantage of the 1997 legislative changes
19 which allow them to remove vacant units from rent
20 regulation. The steady decrease in rent-regulated
21 units present a troublesome pattern for
22 communities like Hell's Kitchen, which rely
23 heavily on rent regulated units to provide
24 affordable housing.

25 HCC staff report an increase in
court proceedings in which the owner seeks only

1 the eviction of the tenant. We see hundreds of
2 tenants a year whose landlords are trying to
3 unfairly evict them in order to get market rate
4 for their apartments. One recent case, we have,
5 Lighthouse LLC, a New Jersey-based real estate
6 concern who bought about 10 buildings on West 49th
7 Street with an eye on evicting rent-stabilized
8 tenants for higher paying market rents. Ten
9 percent of all the renters have either court
10 proceedings or have not gotten a renewal of their
11 leases.
12

13 At another building on West 39th
14 Street--some of those tenants are here today--the
15 landlord is allowing the building to deteriorate
16 so that he can dislodge the tenants and turn the
17 entire building into luxury housing.

18 Finally, we support the repeal of
19 the Urstadt law. We believe that it's simply bad
20 government to have legislators without tenants in
21 their district deciding New York city rent laws.
22 The rent laws of New York City should be made by
23 the electeds that are accountable to the renters
24 in New York City. Instead, rent regulations have
25 been subject to the influence of real estate lobby

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3 money, this is undemocratic and needs to and.

4 Hell's Kitchen is a vibrant,
5 exciting neighborhood that is losing its
6 affordable apartments and our community members
7 who live in them. Renewing and strengthening our
8 rent regulations is a critical piece to our
9 neighborhood's preservation, stability, and
10 growth. Thanks.

11 CHAIRPERSON DILAN: Okay. Thank
12 you, Ms. Del Valle.

13 Ms. Tupper?

14 MS. ALLISON TUPPER: My name is
15 Allison Tupper, I am a resident of the Clinton
16 Hell's Kitchen and a member of the West Side
17 Neighborhood Alliance and I want to speak about
18 our biggest affordable housing program, which we
19 need if we are going to maintain a middle-class
20 and a working-class in New York City and the
21 future of our city depends upon maintaining a
22 working-class and a middle class.

23 We are losing apartments affordable
24 housing, not only to the causes that have been
25 named, but also some of the Mayor's affordable
housing projects are costing affordable housing.

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3 We have buildings with tax abatements requiring
4 the 80/20 percent rule, but in some cases those
5 buildings are pushing out lower rent tenants, so
6 we're not getting the kind of a gain that we need.

7 We need rent regulation, we hear
8 that lowering the prices creates a shortage and,
9 indeed, we all know the relationships between
10 among price and supply and demand--that means
11 market forces. Market forces may work but over
12 what period of time and at what cost? We know
13 nationally and locally that we are in a downward
14 spiral and we need to lower rents and increase
15 affordable housing to get that spiral turned
16 around and going up.

17 I am in a rent-regulated apartment
18 for which I pay somewhat more than half my rent,
19 it's about to go up and my landlord will be
20 tempted to try to harass me, as he has harassed
21 other tenants in my building. I know that I'm
22 protected because I know that HCC will help me,
23 but many tenants all over the city don't have that
24 protection or don't know it and if they don't know
25 it, then they don't have their protection. We
need better enforcement as well as continued rent

1
2 regulation.

3 I taught for 10 years in the Bronx
4 and saw the devastation to my students and their
5 families when they lost their apartments. We
6 can't let that go on, it's our future.

7 So I'll stop because of the clock.

8 CHAIRPERSON DILAN: Thank you, Ms.
9 Tupper. Mr. Bocanelli?

10 MR. TERRY BOCANELLI: Okay. Thank
11 you. My name is Terry Bocanelli, I live at 38
12 West 31st Street, Apt. 311 in Manhattan. I'm a
13 rent-stabilized SRO tenant and have lived in my
14 apartment since 1993. I am a member of the West
15 Side Neighborhood Alliance and work with Housing
16 Conservation Coordinators to repeal vacancy
17 decontrol.

18 My 348 unit single-room occupancy
19 building was bought about four years ago during
20 the New York housing boom. When the new building
21 owners Alfred and Emil Sabet [phonetic] took over,
22 they looked to make quick profits through evicting
23 many of my Chinese and Korean neighbors and began
24 converting their former SRO homes into luxury
25 apartments. On many mornings, I have seen my

1 evicted neighbors belongings strewn out in the
2 street in front of the building--the mattresses
3 and bookshelves, cabinets, nightstands, lamps, and
4 dressers, other personal items litter the street.
5 There lives humble accumulation left in the gutter
6 in haste by the tenants or indifferently tossed to
7 the curb by the landlord. A few days later, you'd
8 see immigrant workers in the hallways with their
9 tools and building materials in my neighbors
10 former apartments--a curious phenomenon, low-wage
11 immigrant workers renovating apartments where
12 other immigrants lived in order for higher paying
13 tenants to move in.
14

15 My landlord was obviously
16 renovating the SROs into luxury apartments,
17 because vacancy decontrol gives him an economic
18 incentive to aggressively evict the working-class
19 rent-regulated tenants in favor of higher paying
20 market tenants.

21 We need to repeal vacancy
22 decontrol. I am part of the Real Rent Reform
23 campaign to push our state senators to support the
24 bill to repeal vacancy decontrol. And you know
25 what? I should not have to travel to Albany to

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3 get changes in their rent laws. New York City
4 should have Home Rule over our rent laws, we need
5 our state legislature to restore Home Rule over
6 the rent laws to New York City.

7 I urge you to pass the resolutions
8 to repeal vacancy decontrol and restore Home Rule.

9 Thank you for your time and the
10 opportunity to testify.

11 CHAIRPERSON DILAN: Okay. Thank
12 you. And again, I want to ask, you know, check to
13 see if my colleagues have any questions for this
14 panel? If not, I'd like to thank you all for
15 coming in and providing your--

16 MS. TUPPER: [Interposing] May I
17 make just one quick clarification? One of the
18 landlord tenants talked about--

19 [Crosstalk]

20 MS. TUPPER: --retroactive
21 regulation and it's not, there's no retroactive--

22 [Crosstalk]

23 CHAIRPERSON DILAN: [Interposing] I
24 can't--ma'am, I can't--

25 MS. TUPPER: Sorry.

CHAIRPERSON DILAN: --I have to keep

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3 the process moving.

4 MS. TUPPER: Okay.

5 CHAIRPERSON DILAN: Thank you.

6 MR. BOCANELLI: Thank you.

7 CHAIRPERSON DILAN: Okay. Next I
8 want to call up Maggie Ciardi-Russell, Marilyn
9 Charles, and Louise Seeley, as well as Kathleen
10 McCaffrey.

11 [Pause]

12 [Off mic]

13 CHAIRPERSON DILAN: Yeah, again,
14 while we're in between panels, I just want to take
15 the time to remind everybody that if they do have
16 a cell phone, if they could please put that cell
17 phone on silent mode or turn it off so it won't
18 disrupt the proceedings.

19 Okay. Why don't we begin with Ms.
20 Russell-Ciardi, sorry.

21 MS. RUSSELL-CIARDI: Good
22 afternoon, good afternoon. My name is Maggie
23 Russell-Ciardi, and I'm the Executive Director of
24 the New York State Tenants and Neighbors
25 Coalition. We are a membership organization with
the base of about 20,000 tenants, tenants

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3 associations, and community-based organizations
4 throughout New York State.

5 Rent regulation exists because
6 there's a housing emergency in New York. When the
7 law was passed, New York City residents and
8 elected officials determined that there was a
9 serious public emergency in housing of a
10 considerable number of people in New York City and
11 that this emergency necessitated the intervention
12 of governments in order to prevent speculative,
13 unwarranted, and abnormal increases in the rents.

14 Now we would hope that the main
15 factor in determining whether rent regulation
16 would continue would be whether or not this
17 housing emergency continues to exist and that if
18 data demonstrated that there continued to be an
19 extremely low percentage of rental stock vacant
20 and available to rent, then rent regulations would
21 continue.

22 But, unfortunately, the question
23 I'm hearing people talk about is not whether the
24 housing emergency that necessitates rent
25 regulation still exists, I'm hearing people talk
more and more in the media and public officials

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3 even, about even though the housing crisis that we
4 face is so severe that it's almost impossible for
5 anyone to ignore, is whether rent regulation
6 should exist at all. This is extremely worrisome
7 and so this is the question to which I would like
8 to direct my testimony. And I wanted to respond
9 to this question by posing a few questions of my
10 own.

11 And the first is, do we as a city
12 value our economic diversity? The people who live
13 in rent-regulated housing are largely people with
14 low and moderate incomes. The average household
15 income in rent-regulated apartments is about
16 \$32,000 a year and has been at the same level for
17 the past ten years, so has actually been declining
18 in real terms.

19 Second, do we as a city value the
20 racial and ethnic diversity of our communities?
21 People who live in rent-regulated housing are over
22 60% people of color and are approximately 50%
23 immigrants. Without rent regulation, many of
24 these people would be displaced from their homes
25 and from their communities.

And third, do we want tenants who

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3 live in New York City to be able to live in decent
4 conditions in stable communities? Rent regulation
5 affords tenants important protections, such as the
6 right to receive basic services and repairs and
7 protections from baseless evictions. Tenants in
8 unregulated apartments don't have many of these
9 important protections.

10 So Tenants & Neighbors believes
11 that preserving our economic and racial diversity,
12 and ensuring that tenants live in decent, adequate
13 conditions in stable communities is of the utmost
14 importance, and so we must renew our rent laws.

15 We also believe that it's not
16 enough to renew our rent laws; in order to ensure
17 that our city continues to be diverse and
18 sustainable, we actually need to strengthen those
19 rent laws. And so it's to the great credit of the
20 Council that today we're taking up, not only the
21 question of whether we should renew the rent laws,
22 but whether we should actually strengthen them.

23 In spite of rent regulation system
24 that we have in place, tenants throughout the city
25 are still suffering. Vacancy decontrol, which
allows landlords to deregulate apartments is

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3 leading to the displacement of low and moderate
4 income people from their homes and communities,
5 it's creating an incentive for landlords to harass
6 tenants, and it's actually pushing a lot of
7 tenants who had been living in affordable housing
8 into the unregulated market, which is leading to a
9 deterioration of conditions in those units,
10 leading to overcrowding and the tenants in those
11 units don't have the protections that they had
12 under rent regulations, so tenants' rights
13 throughout the city are eroding.

14 So we're happy today that the City
15 Council is taking up this issue, and we're hoping
16 that you'll call on Albany, both to continue the
17 rent regulation system and to strengthen it by
18 repealing vacancy decontrol and so eventually give
19 the city control over its own rent laws so that we
20 can strengthen laws beyond what's passed in
21 Albany. Thank you.

22 CHAIRPERSON DILAN: Thanks. Before
23 we go onto the next presenter, I just want to
24 acknowledge that we've been joined by Council
25 Member Robert Jackson, who is a member of the
Housing and Buildings Committee as well.

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3 Okay. Why don't we go with Ms.
4 Charles?

5 MS. MARILYN CHARLES: Okay. My
6 name is Marilyn Charles, I'm from DC 37 Political
7 Action and Legislation Department, I'm a political
8 and legislative analyst and I'm here representing
9 DC 37 Executive Director Lillian Roberts, who
10 represents 125,000 members and 50,000 retirees.

11 Our members' average salary is
12 below \$39,000 a year. At this time more than ever
13 our members are finding it very difficult to find
14 affordable housing in the boroughs. Our members
15 cannot afford the skyrocketing rent created by
16 vacancy decontrol. Since vacancy decontrol
17 enacted by the state Senate and Assembly in 1997,
18 we have seen and experienced a steady decline of
19 affordable housing in New York City.

20 DC 37 members cannot afford to
21 spend time searching from borough to borough to
22 find affordable housing, while losing time from
23 work. This can result in loss of work, family
24 separation, and displacement of the children from
25 their schools and friends. Single parents cannot
afford a monthly rent above \$1,000 and provide for

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3 the needs of his and her family. It is a shame
4 working-class has to seek city shelter for a roof
5 over their family heads while the landlords enjoy
6 the high rent payments and tax write-off on their
7 expenses and losses, making it a double dipping.

8 Besides our working members
9 suffering from affordable housing, our retirees
10 are also suffering. One of our retiree was pushed
11 out of their home by the landlord and could not
12 even find an affordable place to live. I helped
13 that member and was unable to find something that
14 could afford her rent because she was on a steady
15 income. It's a shame.

16 Therefore, we are asking for the
17 repeal of vacancy decontrol and [off mic] support
18 Intro 923 to extend the New York City rent
19 stabilization law for three years and Resolution
20 1815 to extend the city rent control laws. Thank
21 you for coming before you to speak today.

22 CHAIRPERSON DILAN: Thank you. Ms.
23 Seeley?

24 [Off mic]

25 MS. LOUISE SEELEY: Good afternoon,
thank you for allowing me to come testify today.

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3 My name is Louise Seeley and I am the Executive
4 Director of the City-Wide Task Force on Housing
5 Court.

6 The City-Wide Task Force on Housing
7 Court provides support and legal information to
8 tenants and landlords without attorneys from
9 information tables in the city's seven housing
10 courts and through a telephone hotline. We also
11 maintain a hotline for the Emergency Rent
12 Coalition, a group of charities that offer back
13 rent or mortgage assistance to tenants and
14 homeowners facing eviction or foreclosure. Our
15 Housing Court table staff provides assistance to
16 over 30,000 New Yorkers a year and we get to close
17 to 10,000 calls a year on our hotline--people
18 seeking advice on how to find money for rent
19 arrears, how to avoid eviction and homelessness.
20 We also reach many more people through our
21 workshop and trainings.

22 But much of our work really
23 involves helping tenants get help who are being
24 taken to housing court for nonpayment of rent.
25 Most of these tenants are low or moderate income,
have had a temporary loss of income or emergency,

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3 and are in imminent danger of being put out of
4 their homes by a city marshal. When we screen
5 these people for rental assistance or give them
6 information to help them avoid eviction, we always
7 seek to see if they have a stable housing
8 condition and that they have future ability to pay
9 rent. For many low income tenants that we help,
10 rent stabilization saves their home, for it
11 provides the affordable housing they can afford
12 going forward. And then with help from the
13 charities, they can actually come up with the back
14 rent and the landlord has to keep them in their
15 homes. This is not the case for people who are
16 not rent-stabilized.

17 From our perspective, rent
18 stabilization is one of most effective
19 homelessness prevention programs in this city and
20 we urge the Council to support all four measures
21 being discussed at this hearing. We urge the
22 Council to do everything in its power to repeal
23 vacancy decontrol. Tenants who live in
24 unregulated housing do not have a right to a lease
25 renewal. Because the landlord can move to evict
these tenants without cause, many tenants are

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3 fearful of complaining or exerting their rights.

4 We regularly speak to tenants who live in
5 apartments that were allegedly decontrolled as a
6 result of vacancy decontrol. We inform them that
7 they can challenge whether the apartment was
8 properly taken out of rent stabilization, but then
9 we must also warn them that if the apartment is
10 indeed deregulated, the landlord may refuse to
11 renew their lease.

12 While there are some protections
13 against retaliatory evictions, the protections are
14 not very strong and some tenants are too fearful
15 to take the risk. The market tenants at
16 Stuyvesant town and Peter Cooper Village who took
17 on Tishman Speyer should be commended for their
18 bravery, but if they lose their fight to re-
19 regulate their apartments, Tishman Speyer does not
20 have to renew their tenancies. Tenants should not
21 have to choose between exerting their rights and
22 risking their homes.

23 We ask you to renew and strengthen
24 New York City's rent stabilization laws and push
25 Albany to repeal vacancy decontrol now.

CHAIRPERSON DILAN: Thank you, Ms.

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3 Seeley. Ms. McClafferty?

4 MS. KATHLEEN MCCLAFFERTY: Thank
5 you. My name is Kathleen McClafferty and I
6 represent the tenants of 1966 7th Avenue, which is
7 a rent-stabilized building in Harlem owned by
8 Tahl-Propp Equities, a predatory landlord.

9 I'm also a member of Tenants and
10 Neighbors and I'm on the Steering Committee of a
11 coalition called Harlem Tenants Against Tahl-
12 Propp, which is a coalition of 25 buildings owned
13 by Tahl-Propp.

14 First, thank you to Council Members
15 Baez and Dilan and to the entire Council for the
16 opportunity to testify today.

17 I'd like to express my support for
18 all four bills being discussed today. The repeal
19 of vacancy decontrol is critical to preserving
20 affordable housing and stabilizing our community.
21 Decontrol provisions like vacancy decontrol have
22 been a strong incentive for predatory investors
23 like my landlord to buy rent-regulated housing at
24 wildly speculative prices and this overleveraging
25 has led to unprecedented levels of tenants
harassment, as you've heard of today, and to

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3 displacement of low and moderate income tenants.

4 To relate this to my personal
5 experience, I'm a singer who moved to New York
6 City to pursue a music career, I'm also currently
7 and disability. After seven years in my
8 apartment, my rent is very close to the vacancy
9 decontrol limit of \$2,000. This concerns me
10 because with the predatory landlord who already
11 subjects me and my fellow tenants to harassment, I
12 can't imagine what tactics he'll use to try to
13 displace me in a few months when my rent reaches
14 2,000. Because I'm on disability, or on a
15 singer's income when not on disability, he knows
16 that he won't be able to charge me market rate
17 because my income is less than 175,000, but he'll
18 be chomping at the bit to replace me with someone
19 who can pay it. This keeps me up at nights
20 because if I have to leave my current home, I'm
21 sure that no landlord, even one offering a rent-
22 stabilized apartment, if I could even find one
23 these days, would give me a lease when they see my
24 disability income. I would have no place to live
25 and I'd have to leave this city and probably
therefore my career too. And if I'm fortunate

1
2 enough to get off disability in the next few
3 months, my income as a singer isn't much higher
4 than my disability income, as you can imagine, and
5 I and my performing artist colleagues can only
6 afford rent-stabilized housing and I'll have a
7 hard time finding it with such apartments
8 disappearing left and right under this vacancy
9 decontrol law.

10 So tenants must be protected
11 through rent regulation laws and we need to close
12 these loopholes in the law. Thank you very much.

13 CHAIRPERSON DILAN: Thank you. I
14 just have one question, and it's for Ms. Russell-
15 Ciardi. The majority of the items before the
16 agenda of both committees, which I'm a member of,
17 I'm a member of both committees, I'm pretty
18 certain I know how I'm going to vote. Just for my
19 purposes for SLR2, I understand the argument to
20 end vacancy decontrol, I understand that, I got
21 that. I guess what I'm a little bit confused
22 about is why the need from, I guess the advocacy
23 community and the tenant perspective to raise the
24 decontrolled rate to 5,000? It would seem to me
25 that people who can afford to pay, you know,

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3 \$59,999 worth of rent a year maybe don't need city
4 or state protection. Could you just help me
5 understand why 5,000?

6 MS. RUSSELL-CIARDI: Sure, so the
7 bill that we're supporting in the assembly and the
8 Senate would repeal vacancy decontrol, basically
9 eliminating the provision that allows landlords to
10 take apartments out of rent regulation when it
11 hits that threshold and the apartment becomes
12 vacant and would also re-regulate certain units
13 that have already been decontrolled.

14 The idea behind re-regulating units
15 is both the points that I raised in my testimony
16 which that are when people move from rent-
17 regulated apartments to unregulated apartments,
18 they lose many of the extremely important
19 protections they received when they were rent-
20 regulated--protections from baseless evictions,
21 from the speculative rent increases, and that's
22 essential that, as these protections have been
23 eroded as we've lost an estimated 300,000 rent
24 regulated apartments over the past 15 years that
25 we recapture some of those units to restore the
tenant protections that we once had in this city.

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2 LEGISLATION

3 And to speak to the point of the
4 rent threshold, I think it's important to
5 recognize that a lot of the folks that are living
6 in these rent unregulated apartments are people
7 that are cramming into them with, you know, 5 or
8 10 or 15 people to pay those higher rents living
9 in really deplorable living conditions, it's not
10 in many instances, high income folks. The rent
11 supply in the city is just such that that's the
12 only option if you can't find a rent regulated
13 apartment and you're in an unregulated apartment.

14 CHAIRPERSON DILAN: Okay. But I
15 would debate that, you know, maybe Ms. Charles'
16 members, you know, I don't think any of her
17 members, whether they're crammed together or not,
18 I don't think any of them pay close to 60,000 a
19 year in rent. So I understand the need on the,
20 you know, on the affordable side and for the, you
21 know, people towards the poverty line, but I can
22 almost--and I can't say that I know the Manhattan
23 rental market like the back of my hand, I'm not a
24 realtor, but I'm pretty certain that there's not
25 too many people along the poverty lines, no matter
how they're living paying close to 60,000 in rent.

1
2 So I'm a little bit unsure about that when--you
3 look like you want to--

4 [Crosstalk]

5 MS. SEELEY: [Interposing] Well
6 yeah, if I could just add, there are many people
7 in Manhattan and in the outer boroughs as well who
8 share apartments, so young professionals coming
9 into the city who don't make high, high salaries
10 and may be making 30, \$40,000 a year or even \$25
11 to \$30,000 a year who share an apartment. So
12 you'll have a three-bedroom apartment where you're
13 having two people per room share rent and it's the
14 only way many young professionals can actually
15 afford to live in the city. So it's not a very
16 high income person, it's how people of limited
17 means, especially young people coming into the
18 city can actually afford to live in the city and
19 I'm sure there are actually some DC 37 workers who
20 live together and shared apartments as well.

21 [Off mic]

22 MS. MCCLAFFERTY: And singers.

23 CHAIRPERSON DILAN: I believe they
24 do, I'm not arguing that point. I think that--I'm
25 kind of struggling with a number on my own and I'm

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2 not sure of--

3 MS. SEELEY: [Interposing] And I
4 really want to point out deregulating the
5 apartment is really not just the rent value,
6 losing the rent protections is an incredibly scary
7 thing. Rent regulation allows you to exert your
8 rights as a tenant. Tenants who do not feel that
9 they're going to have a right to renew their lease
10 will not challenge landlords, will not call and
11 issue complaints against repairs, and will not
12 challenge to see if the apartment was deregulated
13 because they are concerned that they will be
14 brought to court, once they are brought to court
15 they're on the tenant blacklist and it's very
16 difficult for them to find housing.

17 If you have a right to a lease
18 renewal, you're in a much more protected state and
19 therefore, you're much more comfortable in
20 exerting your rights. And I talk to people all
21 the time who say they won't go to court or they
22 won't file complaints because they're afraid.

23 CHAIRPERSON DILAN: Okay. You look
24 like you wanted to add something, Ms. McClafferty?

25 MS. MCCLAFFERTY: Oh, I was just

1
2 going to say that many singers also live crammed
3 together in such apartments. So the rent might be
4 \$4,000, which sounds expensive, but three, four,
5 and five people might be living there in a two or
6 three bedroom apartment.

7 CHAIRPERSON DILAN: Okay. I think
8 that was, you know, probably the best answer from
9 my perspective. I would say, look, I certainly
10 understand the need and the intent of what you
11 were trying to do. I think conceptually I agree,
12 I think just for my part, I'm struggling with the
13 number overall.

14 Do any of my colleagues have
15 anything that they want to add? Any questions?
16 If not, I'd like to thank you all for your time
17 and your testimony.

18 [Pause]

19 Okay. Next we have Aida Rivera,
20 Richard Steiger, Sharon Sachs, and--can't read
21 that.

22 [Off mic]

23 CHAIRPERSON DILAN: No, that's an
24 actor. Matt Storkin [phonetic] was an actor. I
25 can't read this.

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3 [Off mic]

4 CHAIRPERSON DILAN: Yeah, I'm not
5 going to say the address. You know what, just
6 give me another one, we'll do that one later.
7 Sharick Irizarry.

8 [Off mic]

9 CHAIRPERSON DILAN: Why don't you
10 come up and take a look? We'll show you. [Off
11 mic] Just maybe verify, yeah. All right, please,
12 please come up and I guess Sharick Irizarry--we'll
13 hold off for Sharick for the next panel.

14 [Off mic]

15 CHAIRPERSON DILAN: Yeah, okay, if
16 I could just ask if you could wait for the next
17 panel, not this one. Okay.

18 All right, well, hold on, I only
19 see--okay, so I know I have Matt, I have Richard,
20 looks like I have Ms. Rivera, all right, so no
21 Sharon Sachs? All right. Ms. Irizarry, you can
22 join this panel, I'm missing one, so you can join
23 this panel, I'm sorry for the confusion.

24 Okay. And we'll keep with the
25 tradition of ladies first, we'll start with Ms.
Rivera and then we'll go with Ms. Irizarry and

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then the gentlemen can chime in.

MS. AIDA RIVERA: Hello, my name is Aida Rivera. Good morning, my name is Aida Rivera, I live in 20 Harrison Place in Brooklyn, in the Williamsburg area. I come here to talk about the vacancy law. I would like people to help us with the vacancy law to stop it because I'm living right now in an apartment that I'm fighting for with my landlord that wants to raise the rents, that wants to get me out. And--excuse me--and in my area, everybody has been taken out of the apartments and they're raised over \$2,000 and I can't afford it, so I'm here just to ask if the vacancy law could be taken out of [off mic].

Thank you very much, that's all I'm asking for. Thank you.

CHAIRPERSON DILAN: Thank you. Yeah, just push the button on the mic when the light is on, the mic is also on.

MS. SHARICK IRIZARRY: Hi, my name is Sharick Irizarry. And like everybody that's here today my husband and I, we strongly desire for a piece of the American dream. And that dream was to one day own an apartment in New York City

1
2 where I was born and raised 55 years ago. My
3 husband finally, and I were able to afford a co-op
4 on 49th Street. This co-op was sold by the same
5 sponsor, Samson Management, Arnold Goldstein, that
6 evicted many tenants to fill it up now with co-op
7 owners.

8 I want to tell everybody here
9 having a co-op has not made my life any easier
10 than any renter here in this city. It is a
11 disgrace. This city has lost their respect, the
12 city has lost their morale, and this city doesn't
13 give a damn about anybody that wants a piece of
14 the American dream.

15 The minute we moved in there, this
16 sponsor put three board members on the board and
17 they started to write letters about me and my
18 husband to deter the other residents from getting
19 near us. They started to raise questions about
20 the security that belonged to the sponsor so that
21 he can keep the security on after the building
22 would be turned over into a corporation so that he
23 could increase common charges. My mortgage is
24 \$4,000 every single month and my common charges
25 are \$1,100. Now you tell me that that's not a

1
2 disgrace. And this security company belongs to
3 the sponsor and these people like remnants of the
4 Bush [off mic] administration started to increase
5 issues of our security in the building and started
6 to create suspicion on people's minds that my
7 husband and I were the reason for increasing the
8 security and that is a disgrace.

9 And I've sent letters to the
10 Attorney General because this is his department
11 and he has not replied. It is a disgrace what
12 they did to us, they have kept all our rebate
13 monies for the entire building and they continue
14 to increase charges. I am like an impoverished
15 person, I have not advanced myself trying to get a
16 bite of the American dream, not only because of my
17 nationality, because of the consistent abuse of
18 these sponsors and management companies that stay
19 on buildings when they no longer are supposed to
20 be sitting on boards because the building is now
21 100% occupied. Why is the sponsor still involved
22 and why do we and why does the building board--
23 what is a building board continue to increase
24 charges and why are they holding onto his previous
25 contracts?

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3 His previous manager, his previous
4 security and that's to continue to increase our
5 common charges. It is a disgrace and I want to
6 know who is responsible for this. I mean, who
7 does something about these management companies?
8 Because this is the height of exploit, it is a
9 disgrace, I don't feel like an American. You
10 know, I mean we're decent people, I come from a
11 very hard-working family, I mean, my mother was a
12 teacher in the city, and I want to know who is
13 accountable for this horror because I've sent
14 letters to everybody and nobody cares about
15 anybody in this city.

16 You know, what happened to our
17 American dream? What happened to our feeling to
18 advance ourselves? And we all have a right to
19 have a little piece of that American dream. And
20 that's basically I want to know who do I go to,
21 what do I do? I went to the local police
22 department and what these people did to us is
23 criminal, it's criminal. They sent two letters
24 throughout 44-units in our building making bin
25 Ladens out of my husband and myself, it is a
disgrace. I want to know, please, somebody here

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3 tell me--

4 CHAIRPERSON DILAN: [Interposing]

5 What I'm going to do--

6 MS. IRIZARRY: --who does something
7 about this?

8 CHAIRPERSON DILAN: This is what
9 I'm going to do. I've listened to your testimony,
10 you sound like you're obviously pretty upset and
11 I--

12 MS. IRIZARRY: [Interposing] I've
13 been crying for three years, believe it.

14 CHAIRPERSON DILAN: Well I got to
15 kind of slow it down, what I'm going to do is I
16 have your address here, I'm not going to say for
17 the record, but I have your address. I want you
18 to see Mr. Rick Arvello [phonetic], he's a member
19 of my staff, we'll put you in contact with the
20 appropriate people.

21 There's nothing that this committee
22 can do say or do about your issue right now
23 because it's not relevant to the subject matter.
24 I know that you may not particularly want to hear
25 that right now, but we're prepared and geared up
to go towards one document, but we do have

3 resources, we have resources particularly to co-op
4 and condo owners and we'll put you in contact not
5 only with your local elected, but other sources
6 that can support you with whatever your issue is
7 as well. But I see it more as a constituent
8 matter and not a policy matter that the
9 committee's prepared to deal with today. So you
10 can leave the panel, go see Mr. Arvello, he'll
11 take you in the private room, he's a member of my
12 staff and we'll try to work with you [background
13 noise] ahead of elected to solve your problem.
14 Okay, you can actually go now.

15 MS. IRIZARRY: Sure, I appreciate
16 it. We've been suffering since we bought the
17 apartment, it's like the biggest regret we have.
18 It was the biggest dream that was broken in my
19 life. I waited 55 years to have something.

20 CHAIRPERSON DILAN: Thanks, thank
21 you, and I'm sorry for your heartache and your
22 pain. Mr. Arvello will be happy to help you out.

23 Okay. Mr. Sorkin?

24 MR. MATT SORKIN: Okay. Madam
25 Speaker, I urge you, the Housing Committee, and
the full City Council at today's stated Council

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3 meeting to prove the rent control and rent
4 stabilization laws--that would be Intro 915 A and
5 Resolution 1815, including the most recent housing
6 legislation that was brought out at a press
7 conference this past Wednesday right here on the
8 steps so that the Mayor can sign them into law.

9 This is, as I say, what our good
10 borough president Scott Stringer calls his idea of
11 affordable housing and Council Member Garodnick,
12 I'm sure would agree with me, that vacancy
13 decontrol needs to be repealed and there needs to
14 be no more Home Rule. Boo-hoo to Chairman Marvin
15 Markup Marcus of the Rent Guidelines Board. This
16 will allow people like myself to keep living in
17 the apartments that we currently live in, and will
18 also assist residents who have Section 8 housing.
19 Thanks for your time today.

20 CHAIRPERSON DILAN: Thank you.

21 Okay. And Mr. Steiger?

22 MR. RICHARD STEIGER: Yes, sir.

23 CHAIRPERSON DILAN: And correct me
24 if I said, the last name wrong, I'm sorry.

25 MR. STEIGER: No, you were fine.

Good afternoon, members. My name is Richard

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3 Steiger and I strongly support Intro 923 and
4 Resolution 1815. I also want that Urstadt .aw
5 repealed and an end to vacancy decontrol.

6 To the extent that the Committee on
7 Housing and Buildings and its members can get
8 involved, there are two issues of concern to me:
9 one, Mayor Bloomberg says that he supports the
10 expansion of affordable housing yet his actions
11 belie that assertion. When the Mayor was
12 approached to intercede on behalf of tenants who
13 were trying to purchase Stuyvesant town to Peter
14 Cooper Village in 2006, he was silent. With his
15 support, he could have kept 11,200 apartments,
16 rent-stabilized without any cash outlay by the
17 city of New York. His silence spoke volumes.
18 What followed was harassment of rent-stabilized
19 tenants by Tishman Speyer, the new landlord.

20 The second area, if it falls under
21 this committee's purview, you must restructure the
22 Rent Guidelines Board. Last year we had the
23 highest rent increase in decades and a surcharge
24 on apartments renting for less than \$1,000. They
25 chairperson of the Rent Guidelines Board doesn't
even feign objectivity, invariably, tenants lose

3 year in and year out. The rent gouging board must
4 be reformed.

5 Passing Intro 923 and Resolution
6 1815 is important, but only part of what needs to
7 be done. You must impress upon the Mayor that
8 actions speak louder than words and the RGB can no
9 longer function as it is. Thank you for the
10 opportunity to testify today.

11 CHAIRPERSON DILAN: Okay. Again,
12 any questions from my colleagues? If not, I'd
13 like to thank the panel for their time and
14 testimony.

15 I'm sorry, we've also been joined
16 by Council Member Jessica Lappin of Manhattan.

17 FEMALE VOICE: Next panel, Kim
18 Powell, Leonard Sydney, Adele Bender? Bender,
19 Kathleen Treat.

20 Ms. Powell.

21 MS. KIM POWELL: Hello? Again,
22 apologize. Good afternoon, my name is Kim Powell,
23 I'm co-founder, President of Buyers & Renters
24 United to Save Harlem, I'm also a member of the
25 Board of Directors of Manhattan Legal Services.

I'm here to desperately urged the

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3 support of the City Council in passing Resolution
4 925 and Intro 518. Extending rent stabilization
5 and rent control laws is paramount to our efforts
6 as private individuals and as public officials to
7 assist the state and our nation's leader in
8 restoring accountability. The economic crisis
9 that our nation faces is not the result of a
10 single act of an individual or an institution, but
11 a collective failure of the many to ensure and
12 promote accountability and with the hope and
13 desire to restore and preserve integrity within
14 our system of governance.

15 While financial institutions and
16 insurance companies and the auto industry have
17 been accused of running a Ponzi scheme, landlords,
18 real estate investors and our body governing
19 forces are no less liable for the catastrophic
20 casualties that have befallen on this state and on
21 this city.

22 Wholesale eviction practices by
23 private investment firms backed by so-called
24 predatory equity lenders who have brought large
25 numbers of rent regulated apartments--90,000--and
then seek to maximize profits by driving out long-

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3 term residents, deregulating units, and renting to
4 higher-paying tenants has not only been the result
5 of greed, but the failure of our governance to
6 govern, rather than be governed.

7 Loss of affordable housing,
8 subsidized housing units in the major state and
9 federal programs are in serious decline and are
10 scarce relative to demand. Between 1990 and 2007,
11 27% of the city's Mitchell-Lama and project-based
12 Section 8 units were lost, with an additional 18%
13 threatened.

14 Loss of rent-regulated units, high
15 rent deregulation, and high vacancy allowance have
16 led to the loss between 2003 and 2008 of over
17 117,000 rent regulated apartments. Based on the
18 recent Tishman Speyer court decision, the shortage
19 of rent-regulated units is further compounded by
20 the flagrant disregard of landlords to seize on
21 the hand to take advantage of the J51 program and
22 out of the other hand to buy up properties
23 wholesale and deregulate units, hence putting
24 entire city in a quandary as it tries to clean up
25 the mess at the expense of the City Council
people.

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2 LEGISLATION

3 And I realize my time has run out
4 and let me be very brief. I'm calling on your
5 support and help to end vacancy decontrol and to
6 repeal the Urstadt law returning control over rent
7 regulated laws back to City Council and only
8 produce the following outcomes: direct use of
9 more resources towards eviction protection for
10 tenants, advocate for efforts among local and
11 nonprofit organizations to coordinate to save
12 project-based subsidized housing, rent regulated
13 housing threatened by predatory equity firms, and
14 legal service providers should support and advance
15 advocacy efforts designed to achieve policy and
16 statutory changes that will strengthen rent
17 regulated laws.

18 And I thank you again.

19 FEMALE VOICE: Thank you.

20 MS. ADELE BENDER: My name is Adele
21 Bender, I live in Forest Hills, I am a member of
22 JPAC I used to be that Queens borough coordinator,
23 but free at last, I'm retired. Also I belong to
24 several tenants organizations.

25 You know, rent-regulated tenants
are the glue that keeps community together because

1 we stay there, we don't move, we know each other,
2 and we are involved with the community and
3 community is as American as apple pie and to break
4 up communities because people have to move because
5 they cannot afford the constant increases in rent
6 or getting, you know, vacancy decontrol must be
7 repealed because if the rents become unaffordable,
8 people have to move and it breaks up communities
9 and it's very unhealthy for society.
10

11 So I'm hoping that you will see to
12 it that they do repeal vacancy decontrol and that
13 the tenants here we have Home Rule because the
14 tenants have a right to their own destiny as
15 tenants of New York City. Thank you.

16 MS. KATHLEEN TREAT: Hi, I'm
17 Kathleen Treat, I'm Chair of the Hell's Kitchen
18 Neighborhood Association. I'd like to thank you
19 very much for calling this important hearing and
20 thanks especially to Council Member James for
21 insisting on answers to the many questions that
22 HPD did not answer. I mean where do these people
23 not get briefed beforehand? I'm wondering what's
24 going to happen in 2012.

25 Of the 24,000 new units mentioned

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2 LEGISLATION

3 in Manhattan, I wonder how many are luxury. Where
4 are those of us who earn less than 100,000 a year
5 to go? My husband is a retired high school
6 teacher. When our rent goes to 2,000, my family
7 will have to leave this city, and I don't want to
8 live in Jersey City. I don't want to live in
9 Hoboken, I live here. The middle class has been
10 abandoned for 50 years, we live in constant fear
11 of losing our homes--middle income, low income
12 we're all scared. In Hell's Kitchen we're losing
13 units to lucrative, illegal bed and breakfast
14 operations. Surely the very least we can expect
15 in return for our high taxes is protection of our
16 homes. Thanks.

17 MR. LEONARD SYDNEY: Good
18 afternoon, my name is Leonard Sydney, I'm the
19 Chairperson of the East Side Tenants Community,
20 we're a citywide grassroots organization.

21 I want to comment just for a moment
22 on the fact that 12 years ago Boston repealed
23 their rent regulations. The city has changed--I'm
24 from there originally, by the way--the city has
25 changed dramatically and its character since that
has occurred, there has been an extraordinary

1
2 exodus of middle and working-class people--that is
3 exactly what will happen in New York City should
4 the rent regulations end--no ifs, no buts, no
5 ands.

6 I am obviously here to support the
7 resolutions and the Intros. I specifically feel
8 Urstadt absolutely must be repealed. A Home Rule
9 law must be passed that once again gives the
10 citizens of New York the rightful control of their
11 destiny.

12 I want to speak now specifically
13 about an issue that you've heard many times this
14 morning--it's referred to as vacancy control. It
15 is actually a problem of high rent and vacancy
16 decontrol, and there is one specific piece in this
17 area that absolutely has to be changed even if the
18 total factor is not eliminated, and that is the
19 fact that at the present time MCIs, Major Capital
20 Improvements--roofs, elevators, windows, whatever--
21 -the cost of that is currently computed on an
22 arithmetic basis and then is incorporated into the
23 base rent of a rent-stabilized apartment. I have
24 absolutely no argument with a landlord who does
25 real improvements--and I'll get to that in a

1
2 moment--getting back the money that he invested,
3 but once that money has been recouped, that should
4 not be a permanent part of the base rent. It is
5 absolutely easy to calculate a side factor for the
6 period of time that is necessary, be it three
7 years, five years, eight years, and once that time
8 is up, that factor disappears.

9 With regard to the overall issue of
10 the fabric of our community. There is no question
11 in my mind, and I have lived here since 1952, that
12 live without rent regulation, without rent
13 stabilization, and even though there are only
14 40,000 units left, yes, without rent control, the
15 nature, face, character, and, indeed, that which
16 makes New York City, what we claim it to be will
17 disappear and will never return again. Thank you
18 for your time.

19 CHAIRPERSON DILAN: Okay. I
20 believe Council Member Lappin has a question.

21 COUNCIL MEMBER LAPPIN: A
22 question/statement. I'm Jessica Lappin, I'm not a
23 member of this committee, so I really appreciate
24 this indulgence, Mr. Chairman, but I wanted to
25 thank you for your advocacy on the East Side, I'm

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3 glad that we are also resuscitating Dawn
4 Sullivan's organization and really carrying on her
5 mission and her spirit because she was a dynamite
6 woman.

7 And I just wanted to say I couldn't
8 agree more when it comes to the MCIs and it's
9 something that I see time and time again when
10 people come into my office. And it's an endless
11 source of frustration because once you pay off
12 whatever it is, I think at that point it's
13 completely outrageous that the landlord keeps
14 coming back and getting that additional money for
15 ever and ever.

16 And I'm very happy to be a
17 cosponsor of these bills and, again, I just wanted
18 to thank you, Council Member Dilan, for giving me
19 the chance to speak.

20 CHAIRPERSON DILAN: Thank you,
21 thank you all.

22 [Pause]

23 Okay. I'd like to invite Anne
24 Emerman, Earline Fisher--good to see you, Anne--
25 Anne Bragg and, forgive me if I get this one
wrong, Linda Esneka?

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3 [Off mic]

4 CHAIRPERSON DILAN: Eskenas? And
5 you can correct me, come forward and join this
6 panel.

7 Okay. I have Linda, I have Anne,
8 and are you Ms. Bragg or Ms. Fisher, ma'am?

9 MS. EARLINE FISHER: Ms. Fisher.

10 CHAIRPERSON DILAN: Ms. Fisher,
11 okay. Anne Bragg not here?

12 [Off mic]

13 CHAIRPERSON DILAN: Okay. Give me
14 one. And Maria Velez. Maria Velez here to join
15 this panel? Okay. Ericka Stallings? No Ericka
16 Stallings?

17 FEMALE VOICE: Good, that's good.

18 [Off mic]

19 CHAIRPERSON DILAN: Okay. Ms.
20 Stallings? And then [off mic]. Okay. And this
21 will be the next to last panel and I understand--

22 FEMALE VOICE: Last two pieces,
23 this small piece and there's one in the--

24 [Crosstalk]

25 CHAIRPERSON DILAN: Two people just
signed in to testify at 1 o'clock. I'll allow

1
2 them to testify and that will be the final panel
3 on these items.

4 So why don't we began with Ms.
5 Emerman, good to see you again, and maybe tell us
6 a little bit of the reason as to why you're here
7 today.

8 MS. ANNE EMERMAN: Okay. Is it on?

9 CHAIRPERSON DILAN: Yep.

10 MS. EMERMAN: My name is Anne
11 Emerman and I'm testifying today in support of the
12 two City Council bills extending rent
13 stabilization, rent-control laws, and the two City
14 Council resolutions calling upon Albany, the State
15 Senate specifically, to pass laws introduced by
16 Senators Liz Krueger and Andrea Stewart-Cousins to
17 repeal vacancy decontrol and the Urstadt law, thus
18 returning rent regulation control to the City
19 Council. The public affordable housing emergency
20 continues.

21 I'm here speaking as a Board member
22 of Gray Panthers New York City Network, I'm also,
23 since 1976, a member of Disabled in Action and
24 also our--well, I'll get to that. And a steering
25 committee member since 1978 of the Kips Bay

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3 Tenants Association, our complex was built in the
4 early 1960's with federal funds as affordable
5 housing for the hospital workers, social workers,
6 nurses, therapists, lab technicians of Bellevue
7 and VA Hospital. I was one of those social
8 workers who worked in Bellevue Psych in 1964 and
9 on, later NYU Medical Center. Kips Bay Towers is
10 now, since 1980, a luxury condominium. Originally
11 1,120 affordable units, we're now down to 126 rent
12 stabilized tenants, most of us are elderly and
13 fighting still the MCI upgrades, so far DHCR has
14 rejected them, fighting challenges to have their
15 units seized for landlord personal use, and
16 jumping through hoops to get routine apartment
17 repairs, and worrying always whether the next Rent
18 Guidelines Board increases will force a daily diet
19 of rice & beans, macaroni and cheese--good food,
20 but not every day.

21 I'm also part of a Steering
22 Committee whose first meeting took place the end
23 of November. This is an effort to reestablish
24 Dawn Sullivan's East Side Tenant Coalition and the
25 first meeting of the East Side Housing Coalition
took place on February 22nd--some of our elected

1 officials, certainly Council Member Lappin--and
2 over 500 people attended. It was originally
3 scheduled in the Lenox Hill housing--what is it?
4 The Lenox Hill--
5

6 FEMALE VOICE: Neighborhood house.

7 MS. EMERMAN: --Neighborhood House,
8 thank you. But we filled Julia Richman Auditorium
9 and that indicated to me that people are worried
10 about their housing and many of them are hanging
11 on by their fingernails to their housing,
12 especially those who have lost jobs, lost their
13 health care, and may one day even lose their
14 housing.

15 In this meeting, I think also
16 indicated perhaps that maybe people are hopeful,
17 hopeful that the seachange maybe in the state
18 Senate will bring about those laws that have
19 passed and passed annually at the assembly level,
20 but have been stymied in the state Senate and
21 maybe if some of our Democrats new Democrats in
22 the state Senate become less concerned about
23 increasing their incomes and power in the chamber
24 and pay more attention to their constituents who
25 are losing their jobs and possibly their homes, we

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3 can get some of those 10 bills passed in the state
4 Senate.

5 But the group is also--

6 CHAIRPERSON DILAN: Anne.

7 MS. EMERMAN: --willing, yes?

8 CHAIRPERSON DILAN: Anne, I'm going
9 to ask you to sum up your--

10 MS. EMERMAN: [Interposing] Sure,
11 last sentence.

12 CHAIRPERSON DILAN: Okay.

13 MS. EMERMAN: --the group is also
14 determined to bring about reforms of the Rent
15 Guideline Board, where the annual so-called five
16 independent members annually pass decisions that
17 favor landlords and their demands for higher
18 increases.

19 I've included a copy of the City
20 Limits article that wrote up the meeting, the
21 first meeting of the East Side Housing Coalition
22 and the program of that event. Thank you.

23 And I just want to say there may
24 not be a housing tenant revolution yet on
25 television, but it's coming. We're angry.

CHAIRPERSON DILAN: Okay. Why

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3 don't you...

4 MS. EARLINE FISHER: Hello?

5 CHAIRPERSON DILAN: Yep.

6 MS. FISHER: Good morning, City
7 Council. My name's Earline Fisher and I am in
8 agreement with restoring the Home Rule and to
9 repeal the vacancy decontrol laws.

10 As I was listening today listening
11 to HPD, I was very upset that I expected much more
12 from them, they're highly paid with tax payers
13 dollars and I'm a taxpayer, I expect more data and
14 good data when they come before you to answer
15 questions and I was very upset that they didn't
16 have that data.

17 As a builder, I've been a union
18 carpenter for 14 years and when I see the
19 renovations going on and the repairs--and I also
20 organize tenants associations--when I see the
21 repairs and things that are done, I'm very upset,
22 that it is done cheaply, the renovation is done
23 with cheap material. And I think it's there's no
24 one monitoring this process, that they're using
25 these cheap materials and their cheap labor and
when they use this cheap labor, they pass it on to

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3 the MCIs and the MCI, you know, they put it in,
4 how is it written up, how is it being monitored,
5 how do you know they're using the materials that
6 they say they are? Something that's going to
7 eventually in five years need repair again--that's
8 not lasting and that's usually what happens, which
9 I have a case within my own building with the roof
10 that they were given--there was put out HPD, I
11 think, gave them 15,000 to do the roof, they only
12 paid the guy \$5,000 to do the roof and it still
13 leaks, okay?

14 So who's monitoring how they're
15 doing these repairs? It's very important because
16 it becomes a waste of taxpayers' money in terms of
17 eventually because they have to continue to do
18 this over and over and over again with these
19 repairs and it gets to be ridiculous and it
20 becomes a vicious cycle. And then the taxpayers
21 are the ones who really end up paying for this
22 process between the MCIs and DHCR reports because
23 a lot of times there are false reports made in.

24 And there needs to be some type of
25 monitoring system so that they can know exactly,
you know, why and how are they putting these

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3 increases in.

4 Thank you.

5 CHAIRPERSON DILAN: Thank you.

6 MS. LINDA ESNEKAS Hello, I'm here
7 to talk about the small owners. Small owners, I
8 wouldn't want to see anything happen that happened
9 in the 80s when small property owners often, but
10 mostly minorities, had their homes stolen from
11 them like candy from a baby, 71% of Harlem was not
12 in the hands of the private sector. These were
13 small owners who worked all their lives for their
14 homes, they thought they'd have a roof over their
15 heads but because of city policies which were
16 politically expedient at the time, they destroyed
17 these people, I will never forget Mrs. Rix and
18 Mrs. Turner and there was nothing we could do
19 about it. We formed Small Property Owners of New
20 York at that time.

21 And also the people who when they
22 told New York to drop dead, they were small
23 owners. We went out to these bad neighborhoods
24 and with our own hands and sweat, we brought these
25 neighborhoods back, historic neighborhoods that we
now see gouged out by developers who pay no real

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3 estate tax for 20 to 25 years and do not provide
4 affordable housing.

5 Now the only way and sometimes
6 people hanging onto these houses, they have almost
7 no income from them and to say they can't have
8 vacancy decontrol when at last, one of these
9 apartments is free, forcing people out of their
10 houses that they worked for, that they owned, that
11 they pay taxes on, even if they lose their jobs,
12 the water, the everything is immoral and it almost
13 destroyed New York--God knows that destroyed the
14 housing in New York. Why should these people be
15 forced to pay for people who have more money than
16 themselves? That is called slavery.

17 What we need is affordable housing,
18 but it's not in stealing people's homes. It is in
19 repealing the 421 (a), (b), and (c). It was said
20 three years ago by I believe Cranes Business that
21 we had already lost \$6 billion because these
22 people had never paid real estate taxes or do not
23 for 20 to 25 years--not in taking people's homes.
24 So small owners, you know that's not even--it's
25 beyond a disgrace. It is something that everyone
should know about, everybody should have seen

1
2 these people's faces and never forgotten them.

3 And we can build affordable
4 housing, if we have that money that the developers
5 were supposed to pay, but we need vacancy
6 decontrol if that's, you know, that some phrase,
7 but people need to have their houses, they have to
8 pay their bills somehow, and the expenses are
9 unspeakable--water, sewer, real estate taxes,
10 everything.

11 So this is wrong, we have to look
12 at this as a moral issue, which is what it is and
13 in real dollars and in reality. Thank you.

14 CHAIRPERSON DILAN: Thank you.

15 MS. ERICKA STALLINGS: Hello, my
16 name is Ericka Stallings, I'm the Housing Advocacy
17 Coordinator of the New York Immigration Coalition,
18 we're a policy and advocacy organization with more
19 than 200 member groups around New York State and
20 we work with immigrants and refugees. I'd like to
21 thank you all for allowing our organization to
22 testify at today's hearing as this is an issue
23 that is very important to our membership.

24 Rent-regulated housing is the most
25 significant source of affordable housing in New

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3 York State. This housing stock supports low,
4 moderate, and middle-income New Yorkers and our
5 communities in New York City and the suburban
6 counties of Nassau, Westchester, and Rockland.
7 The rapid deregulation of rent-controlled and
8 stabilized units due to vacancy decontrol
9 threatens the continued efficacy of this program.

10 Immigrant New Yorkers, particularly
11 immigrants of color, are disproportionately
12 impacted by the City's increasing lack of decent
13 affordable housing. As incomes stagnate and rents
14 rise, more and more immigrant New Yorkers
15 experience housing hardships. Immigrants make up
16 two-thirds of New York City's low-wage workforce
17 and, subsequently, have lower incomes on average.
18 Nearly 82% of low-income immigrants pay more than
19 30% of their income on rent.

20 The problem is getting worse as
21 units are decontrolled. Due to the shrinking pool
22 of affordable housing, our members report that
23 immigrants are finding there is more competition
24 for affordable housing.

25 Housing affordability directly
impacts housing quality, as a result, many

1
2 immigrants find themselves in dangerous housing
3 situations. New York's immigrant renters are 62%
4 more likely to live in substandard housing
5 conditions and are three times as likely to live
6 in overcrowded conditions than native-born
7 residents. Many immigrants housing conditions
8 cause them to worry about their family's health
9 and well being, as high rents prevent them from
10 providing for their families as well as they would
11 like.

12 There are also disturbing health
13 consequences. I've met immigrants in every
14 borough of the city who have developed asthma,
15 allergies, rashes and other health problems, which
16 they believe are caused by their housing. These
17 conditions are the direct result of an inadequate
18 supply of affordable housing in our city. While
19 building more housing is one answer, it isn't the
20 only answer--we must protect the supply of
21 affordable housing that we already have. Although
22 rent regulation is frequently dismissed as an
23 issue for wealthy Manhattan constituents, this is
24 also an issue for low, moderate, and middle-income
25 immigrants in all boroughs.

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3 In addition to the impact on
4 affordability, vacancy decontrol fuels abusive
5 landlord practices. The lure of-the \$2,000 mark,
6 or any threshold for that matter, encourages
7 landlords to harass tenants out of their homes
8 using methods that are often both illegal and
9 unethical.

10 The New York Immigration Coalition
11 strongly supports the four resolutions under
12 consideration today, as we believe they will go a
13 long way toward improving. housing conditions for
14 immigrant New Yorkers. They include extending the
15 City's rent-control and rent-stabilization laws,
16 calling on the state to repeal Vacancy Decontrol
17 and calling on the state to return control of the
18 city's rent laws to New York City, thus ensuring
19 the creation of rent laws that more accurately
20 reflect the needs of New York City residents.

21 Thank you.

22 CHAIRPERSON DILAN: Thank you. And
23 I also want to acknowledge that we've been joined
24 by Council Member Darlene Mealy of Brooklyn.

25 Do any of my colleagues have
questions for this panel? If not, we'd like to

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3 thank you all for your time and testimony this
4 afternoon.

5 Okay. The final panel will consist
6 of Elizabeth Gardner and I believe it's Jean
7 Davis.

8 When the light is on, the mic is
9 on.

10 Okay. Ms. Gardner, why don't you
11 begin, Ms. Gardner, that's fine.

12 MS. ELIZABETH GARDNER: Hello, my
13 name is Liz Gardner, I am the President of the Van
14 Buren Hall Tenants' Association in Sunnyside,
15 Queens, and a member of Tenants and Neighbors.
16 Thank you all on the Council for this opportunity
17 to testify before you.

18 I would like to tell you a little
19 bit about me and the other tenants in my building.
20 I graduated from Columbia University, I'm a legal
21 secretary and I earn in the top ten percent in my
22 field, over \$60,000 a year. Despite this success,
23 I am having trouble keeping my apartment. My
24 rent-stabilized studio is in one of fourteen
25 buildings that were sold by Bassuk Brothers in
26 2007 for \$118 million.

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3 In each of the last seven years I
4 have received a standard raise, and in each year,
5 the Rent Guidelines Board increase has eaten up
6 all or most of my raise. Over the last seven
7 years my rent has risen by 26%, but not my income.
8 I also pay a student loan of \$600 a month and
9 significant medical bills, approximately \$600 a
10 month.

11 The point I'm trying to make is
12 even if you're making this kind of money, you may
13 have expenses, like a child or a student loan or
14 something like that. And starting this year, I
15 will have to pay an additional \$45 per month
16 because I have lived in my apartment for over six
17 years and do not already pay \$1,000 a month--this
18 is yet another unjust New York rule weighing
19 voracious landlord greed against preserving our
20 communities, and letting greed win.

21 Why should I be punished for being
22 a long-term tenant living in my community for more
23 than five years? And why do our politicians keep
24 allowing this?

25 Unfortunately, because of our
failing economy, next year my firm will not give

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3 raises to support staff. And I am not alone. In
4 the last year, seven tenants came to me for help
5 because our new landlord refused to renew their
6 leases based on their preferential rent and
7 instead demanded that they pay the so-called legal
8 rent. In every case, the increase was at least
9 \$200, and most times \$300 a month.

10 Ladies and gentlemen, this should
11 not be legal, and Tenants & Neighbors is
12 supporting legislation in Albany to stop this
13 practice. No one should be able offer a contract
14 with someone for rent at 900 or \$1,000 a month and
15 then the following year demand 1,200 or 1,400 a
16 month. This is how economies fail. This
17 phenomenon forces the ejection of what otherwise
18 would be the ultimate stabilizing forces in our
19 neighborhoods--families and other long-term
20 tenants.

21 Over the last two years in my
22 building, ultimately we have lost more than 10% of
23 our neighbors and most of them of lower income and
24 immigrants because of this policy and another rent
25 increase. Since 2007 we have been fighting a
Major Capital Improvements increase of \$27.05 per

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3 room per month. When we investigated the
4 landlord's application we found that it was based
5 on inflated and made-up figures, double and triple
6 dipping, falsified and non-existent signatures,
7 and actual out-and-out attempts to defraud.

8 Ladies and gentlemen, all of the
9 bad behavior by my landlord that I've just spoken
10 about has one goal: to raise the rents as quickly
11 as possible to hit the jackpot vacancy decontrol
12 figure of \$2,000 a month.

13 In this economy, with thousands of
14 New Yorkers losing their jobs and facing double-
15 digit inflation for milk, food, and public
16 transportation; in this economy where so many
17 people's investments and retirement funds have
18 disappeared, we must demand that greed be silenced
19 once and for all. So I ask you to vote in our
20 favor on the bills before you today, and to
21 continue to vote for us in the challenging days to
22 come. Let us say goodbye to vacancy decontrol and
23 Urstadt, and step out on a new path of fairness,
24 reasonableness, and caring about our neighbors and
25 neighborhoods. After all, it is the people here
who make New York great--all the people. Thank

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3 you.

4 CHAIRPERSON DILAN: Thank you. Ms.
5 Davis?

6 MS. JEAN DAVIS: Good afternoon, my
7 name is Jean Davis, I'm a lifelong resident of
8 this city. I live in the Riverton Apartments
9 complex in Harlem. I am here representing the
10 Riverton Tenants Association, many fellow tenants,
11 and of course myself and as a member of the
12 Tenants and Neighbors organization.

13 That me begin by thanking the
14 Council and the Chairpersons, Ms. Baez, Mr. Dilan,
15 for the opportunity to appear here, and especially
16 for your attentiveness to the testimony. In that
17 regard, I urge strong support for the extension of
18 New York City's rent stabilization law and for the
19 extension of the city's rent control law and along
20 with them support of SLR2, which would repeal
21 vacancy control. Moreover, in keeping with the
22 principle that it is usually better to be in
23 control of one's own destiny than to let others
24 dominate over you, I urge support for the bill
25 SLR1, which would return control over rent lost in
New York City.

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3 I may be one of the few native New
4 Yorkers left in the city and, like others before
5 me in danger of being put out by a predatory
6 landlord, Lawrence Glock [phonetic], of the RP
7 Seller Management Company. I was born in Harlem
8 hospital, and I have spent most of my life here.
9 Over the years, particularly the last 30, I noted
10 a profound change in the residential climate of
11 the city. As a child and a young adult, living in
12 the city was characterized by choices. I don't
13 mean you could live anywhere, but one could live
14 in a lot of places. Gradually, it has become
15 virtually impossible for current residents and
16 newcomers to sustain a home in the city.

17 Now in the present economic crisis,
18 that situation has exacerbated and will continue
19 to worsen if rent control and rent stabilization
20 are lost. The loss of rent control and rent
21 stabilization victimizes many. I know from
22 personal experience as a retiree in a rent-
23 stabilized situation that landlord and owners are
24 constantly on the prowl to harass older tenants
25 and senior citizens in hopes that they will move
and apartments can convert to a non-stabilized

3 status. Even then, the personal harassment and
4 lack of services continue with the new tenants
5 because every subsequent vacancy represents a new
6 opportunity for exploding rents with the resulting
7 further disruption of the community. In my
8 complex, the turnover among new market rate
9 tenants who usually get only a one-year lease is
10 enormous. I've had more new neighbors in the past
11 three years than I've had in the previous ten.

12 On another front, let me also point
13 out that as a retiree from public service career,
14 whose 401(k) is more appropriately likened these
15 days to the value of a 101(k), I am in much the
16 same position as many of the city's service
17 industry workers--we are 180 degrees away from the
18 financial workers who have dominated over the city
19 during the past 20 years; we don't have six-figure
20 salaries and annual bonuses--affordable to us is
21 not the same thing as affordable to them. You on
22 the Council must define affordable and practical,
23 applicable terms that translate into actual
24 availability.

25 For most of us, monthly rents in
the range of 2,500 to 3,000 are not affordable and

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3 it makes me wonder if the Council as a body has
4 ever really considered how much take-home pay a
5 salary a person must have to be able to afford
6 these rental costs, and at the same time maintain
7 a life and family in the city.

8 In conclusion, let me say, if you
9 do not support Intro 923 and Resolution 1815, it
10 would be an abdication of your responsibility for
11 the many in favor of the few; if you do not
12 support Intro 923 and Resolution 1815, it will be
13 an abdication of your responsibility for your own
14 respective constituencies; if you do not support
15 Intro 923 and Resolution 1815, it would be an
16 abdication of the oath and vote and vow you took
17 to serve the best interests and the spirit of the
18 city. Thank you.

19 CHAIRPERSON DILAN: Thank you, Ms.
20 Davis. And as I did with every other panel, I
21 just want to see if my colleagues have any
22 questions for this panel. Seeing none, I'd like
23 to thank you ladies for your time and your
24 testimony this afternoon.

25 Okay. Just a little housekeeping,
we've received testimony for the record from the

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3 Manhattan Borough President Scott Stringer, and
4 that'll be entered into the record as if read in
5 full--all these statements will be entered into
6 the record as if read in full. Also from Harvey
7 Epstein from the Urban Justice Center, testimony
8 from John Marsh. The Vice President of Stuy town
9 and Peter Cooper Village Tenants Association, his
10 statement will be entered into the record as if
11 read in full, as well as the New York City AIDS
12 Housing Network and that testimony will be entered
13 into the record.

14 Oh, I do have to acknowledge that
15 we have been joined by Council Member Mike Nelson,
16 who is not a member of the committee, but he's
17 here. And all items before the Housing and
18 Buildings Committee, Intro 923 and Reso 1815 will
19 be laid aside for disposition at a future date.
20 And I will turn to Council Member Baez for the
21 bills before her Committee.

22 CHAIRPERSON BAEZ: Thank you,
23 Council Member Dilan. As Chair of the State and
24 Federal Leg, I would like to take this opportunity
25 to thank all the individuals who testified here
today. The Committee will certainly take all of

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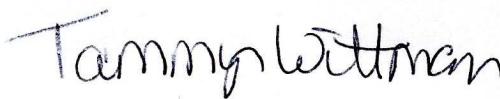
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this information into consideration when we vote
on SLR1 and SLR2 on a later date. That's it.

CHAIRPERSON DILAN: Okay. With
that, all items before both Committees are laid
aside and these Committees are adjourned.

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature_____

Date April 1, 2009