

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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June 26, 2018  
Start: 10:17 a.m.  
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HELD AT: Council Chambers - City Hall

B E F O R E: ROBERT E. CORNEGY, JR.  
Chairperson

COUNCIL MEMBERS: Fernando Cabrera  
Margaret S. Chin  
Rafael L. Espinal, Jr.  
Mark Gjonaj  
Barry S. Grodenchik  
Bill Perkins  
Carlina Rivera  
Helen K. Rosenthal  
Ritchie J. Torres  
Jumaane D. Williams

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

Christian Klossner, Executive Director  
Mayor's Office of Special Enforcement, MOSE

Liz Krueger, State Senator, Senate District 28

Linda B. Rosenthal, Assembly Member, Assembly  
District 67

Heather Sky McField, Founding Member of Home Sharing  
Association of America

Johnny Green, Senior Pastor, Mount Neboh Baptist  
Church, Village of Harlem

Rochelle Burnett, Member of Home Share Association  
of America

Julie Samuels, Tech NYC

Adelle Bartlett Appearing for: Gale Brewer,  
Manhattan Borough President

Jeffrey Marte, Washington Heights Resident

Lucy Block, Association for Neighborhood and Housing  
Development, ANHD

Beth Haroules, Senior Staff Attorney, New York Civil  
Liberties Union

Regina Atry, Resident & Rental Unit Host in Far  
Rockaway

Skip Carroll, Airbnb Host in Brooklyn

Michael Allen Resident & Rental Unit Host, Bronx

Minister Kirsten John Foy

Christopher Augusto LeBron, President, West 4<sup>th</sup>  
Street Tenants Association, Member of Manhattan  
Community Board 4

Tom Kayler, Hell's Kitchen Resident

Jonathan Furlong, Director of Organizing and Housing  
Conservation Coordinators, HCC

Dan Evans, Staff Attorney, Goddard Riverside Law  
Project

Devin T. Adams, Captain, U.S. Army

Danny Huron, Brooklyn Resident, Member of Home Share  
Association of America, HSAA

Davika, Queens Resident

Lynn Elliott, Staten Island Resident

Patricia Gordon, East New York Resident

Katrina Bicanova, Airbnb Host

Kevin Dwyer, Manhattan Upper West Side Resident

June Broxton, Harlem Resident

Ernest Delgado, Architect

Joy Williams, Harlem Resident and Home Sharer

Victoria Grice, West Village Resident, Airbnb Host

Daviko Shamlakana, Bed & Breakfast Owner, Harlem

Carolyn Williams, Airbnb Host, Lower East Side

Sandy Mingo. Brooklyn Resident and Member of  
Home Sharing Association of America, HSAA

Ray Polanco, Airbnb Host, Bronx

Demetri, Airbnb Host

Darrell Webb, Home Sharing Host, Staten Island

2 [sound check] [pause] [gavel]

3 SERGEANT-AT-ARMS: Quiet please.

4 CHAIRPERSON CORNEGY: Good morning

5 everyone and thank you for coming. I'm Council

6 Member Robert Cornegy Chair of the Council's

7 Committee on housing and building, and I'm joined

8 here today by Council Members Perkins, Rivera,

9 Powers, Cabrera, Rosenthal and Chin and other Council

10 members will be coming. We're here to discuss three

11 bills related to short-term rentals and the illegal

12 conversion of dwelling units from permanent

13 residences. In discussing these bills today, it is

14 important to be clear on the current state and local

15 laws regarding short-term rentals in New York City

16 and how these bills will amend the current Local

17 Laws. In 2020—in 2010 the New York State Legislature

18 passed legislation amending the state's Multiple

19 Dwelling Law. This state law explicitly prohibits

20 short-term rentals, that is rentals of an entire unit

21 for a period of less than 30 days in buildings with

22 three or more units. In 2016 the New York State

23 Legislature passed additional legislation, which made

24 it illegal to advertise short-term rentals that

25 violate the state multiple dwelling law. These state

1 laws do not apply to single or two-family homes,  
2 shared or private room rentals or rentals of 30 days  
3 or more. In 2012, the Council also passed  
4 legislation that increased fines for those who  
5 illegally convert residential units and building to  
6 illegal short-term rentals. These current fines  
7 range from \$1,000 to \$25,000. The 2012 Local Law  
8 also prohibits owners or occupiers of one and two-  
9 family homes from using a dwelling as a short-term  
10 rental. The first bill we'll hear today, Intro No.  
11 554 sponsored by Council Member Rosenthal would  
12 categorize illegal conversions of permanent  
13 residences to short-term rentals as immediately  
14 hazardous violations and increase the penalties from  
15 such-for such conversions to between \$10,000 and  
16 \$50,000. Additionally, the bill authorizes a \$2,000  
17 a day civil penalty for each day that the violation  
18 is not corrected. Second, we'll hear a preconsidered  
19 Intro, which I sponsored, which would create an  
20 exception to the city's Illegal Conversion Law by  
21 allowing one and two-family owner occupied dwellings  
22 in New York City to use part of the dwelling for  
23 short-term rentals. Lastly, we'll hear Intro No. 981  
24 sponsored by Council Member Rivera, which will  
25

2 require people who accept fees in connection with  
3 providing booking services for short-term rentals to  
4 provide the Mayor's Office of Special Enforcement the  
5 following information: (1) The address of the units.  
6 (2) The name and address of the person offering the  
7 unit for short-term rental. (3) Whether the rental is  
8 for the entirety of the unit or part of the unit, and  
9 (4) Any other information to be determined by the  
10 Officer of Special Enforcement. The persons accepting  
11 the fees would be subject to a civil penalty between  
12 \$5,000 and \$25,000 per unit for failure to comply  
13 with the provisions of this legislation. We'll now  
14 hear from my colleagues Council Members Rosenthal and  
15 Rivera who will give opening statements on their  
16 bills. Starting with Council Member Rivera.

17 COUNCIL MEMBER RIVERA: Good morning.  
18 Thank you Chair Cornegy and my committee colleagues  
19 and thank you for granting me the opportunity to  
20 speak in support of the bill 981, which I introduced  
21 in the Council on June 7<sup>th</sup>. This bill would require  
22 companies or persons who accept fees in connection  
23 with providing short-term rental booking services to  
24 give information on the unit to the Office of Special  
25 Enforcement. Specifically, this information includes

2 the address of the units, the name and address of the  
3 person offering the unit for short-term rental,  
4 whether the rental is for the entirety of the unit or  
5 part of a unit, and any other information to be  
6 determined important and relevant to the agency. The  
7 company or persons accepting fees would be subject to  
8 a civil penalty between \$5 and \$25,000 per unit for  
9 failure to comply with provisions of this  
10 legislation. There has been a lot of heated rhetoric  
11 around this bill, and I want to reiterate from the  
12 beginning to day that this bill has one clear  
13 priority in mind: Protecting our affordable housing  
14 stock for the millions of New York City who could not  
15 live here without them. Years before I was a member  
16 of the New York City Council, I worked as a housing  
17 organizer on the Lower East Side where I was born and  
18 raised. I heard countless stories from tenants and  
19 organizers about illegal short-term rentals jolting  
20 them out of the security and stability of an  
21 affordable home. In the years since, countless  
22 progressive advocates, elected officials, like  
23 Comptroller Scott Stringer and many others have tried  
24 to combat this crisis by asking for short-term rental  
25 services to disclose more information about illegal



2 rentals on their services. Today, bad actors still  
3 exist. With Intro 981 we will finally address this  
4 crisis by requiring short-term rental services to  
5 report vital data to the Mayor's Office of Special  
6 Enforcement, OSE, which oversees investigations into  
7 illegal short-term rentals. This legislation will  
8 allow them to pursue more effective oversight and  
9 action over this largely unmonitored rental market  
10 and additional resources provided to OSE will ensure  
11 that they can do this efficiently so that individuals  
12 who legally use this service can continue—who legally  
13 use this service can continue to do so free from  
14 worry or harassment. This bill will allow for more  
15 effective prosecution of bad actors who are pushing  
16 out rent regulated tenants in order to run illegal  
17 hotels, and who are keeping housing we so desperately  
18 need off the market. As this bill has moved through  
19 the legislative process I have made it a priority to  
20 meet with a number of organizations to get feedback  
21 on this bill including short-term rental services  
22 such as Airbnb, VRBO, and Homeaway and progressive  
23 housing activists including New York Communities for  
24 Change. I look forward to hearing from all of the  
25 organizations and the individuals that are present

there today as well as every member of the public who wishes to testify on how we can strengthen this legislation to truly protect New Yorkers. With this legislation and through additional legislation if needed, we will be sure OSE operates in a transparent and accountable way. We will be sure landlords who are good to their tenants are not penalized, and we will keep the information opposed secure as protected through existing local, state and federal law. And please let me be clear, anyone here operating their short-term rental legally will not be affected. This bill aims to deal with a serious emergency housing situation, and we are going to pass legislation to root out the bad actors these companies have so far refused to root out themselves. We are going to pass legislation so that the landlords Big Apple Management, LLC, which OSE sued for offering up illegal short-term rentals in seven different rent stabilized buildings in Hell's Kitchen in Speaker Johnson's District for the families in Easts Village and my district who see the revolving door of yes, the harassment of their elderly neighbors, and who want to feel secure in their own homes, and we are going to pass this legislation so that working class

2 families in my district and around the city [coughs]  
3 can still find an affordable home in the five  
4 boroughs. I want to thank my 40 Council colleagues  
5 who have sponsored this bill, the housing activists  
6 who have supported this effort like New York  
7 Communities for change and Housing Works and all of  
8 the tenants and members of the public who have come  
9 here today to testify. It is clear from this broad  
10 level of support and the personal stories that we all  
11 continue to hear from everyday New Yorkers that this  
12 bill needs to be passed, and I encourage my ten  
13 remaining colleagues to support Intro 981 so that we  
14 can quickly and finally have a short-term rental  
15 market that doesn't starve out the little affordable  
16 housing that is left in our city. Thank you again,  
17 Mr. Chair for allowing me to say a few words, and I  
18 look forward to this hearing today.

19 CHAIRPERSON CORNEGY: Thank you, Council  
20 Member Rivera. Council Member Rosenthal.

21 COUNCIL MEMBER ROSENTHAL: Thank you,  
22 Chair Cornegy. Intro 554 increases fines against  
23 building owners who have illegally converted units  
24 designated for permanent residential use into short-  
25 term rentals including those renting their units

2 through services like Airbnb. We're here today  
3 because of corporate irresponsibility. As we in the  
4 city government have worked to address New York's  
5 housing scarcity, and affordability crisis,  
6 corporations have made enormous profits by  
7 facilitating the removal of housing units off the  
8 market and turn them into illegal hotel rooms by  
9 incentivizing owners to take units off the market.  
10 Intro 554 is a step towards getting these companies  
11 and owners to comply with the law for the benefit of  
12 all New Yorkers. This bill target—this bill targets  
13 recidivists, the repeat offenders who knowingly flout  
14 the law time and time again treating any fines as the  
15 cost of doing business. Increasing those fines could  
16 ensure that our—that the city's fines are an  
17 effective deterrent against this illegal business  
18 practice. The citywide vacancy rates—right now the  
19 citywide vacancy rate is well below 5%—the 5%  
20 threshold that the Department of Housing,  
21 Preservation and Development designates as  
22 constituting an emergency shortage. Addressing  
23 illegal residential conversions is an urgent matter  
24 in all five boroughs and one that has a direct impact  
25 on the lives of New Yorkers. I look forward to

2 hearing the testimony from the stakeholders in  
3 attendance today, and using their input to make sure  
4 that we do this right. Raising fines can be a blunt  
5 instrument. So, we need to make sure that our  
6 efforts are properly focused, practical and effective  
7 that they really do deter the bad actors, but we need  
8 to turn the tide against illegal hotels and those  
9 contributing to our housing crisis for their gain,  
10 and as I have said all along, Airbnb could be a good  
11 corporate partner, a good corporate citizen and  
12 simply with a flick of a switch not allow illegal  
13 rentals to appear on their website. That's what they  
14 should be doing. Instead, they're forcing the city  
15 to spend millions of dollars on enforcing the law,  
16 and doing a disservice to the taxpayers of New York  
17 City. I also think that those who invest in Airbnb  
18 know that they have to follow the law, but now  
19 they're investing in a company that without regard  
20 flouts the law and they should take very seriously  
21 that they're investing in a company that does that.  
22 Thank you very much, Chair Cornegy.

23 CHAIRPERSON CORNEGY: Thank you Council  
24 Member Rosenthal. I'd like to thank my colleagues  
25 for providing additional backgrounds on their

2 respective bills, and as a reminder of those of you  
3 testifying today, please be sure to fill out a card  
4 with the sergeant. Due to the large number of  
5 witnesses that have already signed up, we'll be  
6 limiting public testimony to two minutes each so that  
7 everyone gets a chance to testify. Wit that said,  
8 I'm going to refer to the representatives from the  
9 Administration as our first panel, and ask for them  
10 to be affirmed or to be affirmed at this point, and  
11 we have Christian Klossner from the Mayor's Office of  
12 Special Enforcement. Do you affirm to tell the  
13 truth, the whole truth and nothing but the truth in  
14 your testimony before this committee, and respond to—  
15 and to respond to honestly to Council Member  
16 questions?

17 CHRISTIAN KLOSSNER: [off mic] I do.

18 CHAIRPERSON CORNEGY: Thank you. You can  
19 begin your testimony.

20 CHRISTIAN KLOSSNER: Good morning, Chair  
21 Cornegy and members of the Committee on Housing and  
22 Buildings. My name is Christian Klossner, and I am  
23 the Executive Director of the Office of Special  
24 Enforcement, which is overseen by the Mayor's Office  
25 of Criminal Justice. Thank your for the opportunity

2 to testify today. My office's mandate originating  
3 from the Mayoral Executive Order in 2006 is to  
4 coordinate efforts across city agencies to problem  
5 solve around emerging issues adversely affecting  
6 neighborhood cohesion with ability and safety. At  
7 present, most of the complaints that OSE receives  
8 predominantly through 311 concern rentals for less  
9 than 30 days occurring in the city's permanent  
10 residential housing stock. Under existing state and  
11 city law, if a permanent resident is not present in  
12 the same residential unit in either a multiple  
13 dwelling or a one and two-family home, such short-  
14 term rentals are prohibited. By working to stop the  
15 proliferation of these illegal short-term rentals,  
16 our seize enforcement efforts advance key goals of  
17 this Administration to help preserve affordability  
18 and community livability, prevent harassment, and  
19 displacement of permanent residents, and increase  
20 access to permanent housing. Our enforcement efforts  
21 protect residents and visitors to New York City from  
22 dangerous violations of the city's building and fire  
23 safety standards, while striving to ensure that New  
24 Yorkers are not disturbed by illegal commercial  
25 activity in their resident neighborhoods and

2 building. [coughs] Our current enforcement process  
3 is as follows: A multiagency team of inspectors'  
4 response to complaints or to data analytic derived  
5 proactive assignments, but conducting administrative  
6 inspections and issuing violations to building owners  
7 when they don't comply with the lawful require  
8 occupancy of the building. The inspectors also issue  
9 violations where the relevant building and Fire Code  
10 provisions that relate to transient use such as those  
11 specifying the necessary egresses, sprinkler systems  
12 and fire safety and alarm systems required for short-  
13 term accommodation are now followed. In addition,  
14 wherever possible OSE now issues violations to the  
15 operators who create illegal advertisements for  
16 transient use in multiple dwellings meant for  
17 permanent resident. The data we collect in the field  
18 and gather from all available sources is used to  
19 detect patterns, identify egregious offenders and set  
20 enforcement priorities. In 2017, OSE received a  
21 total of 1,800 complaints through 311 reporting an  
22 illegal and problematic short-term resident. During  
23 this period, OSE conducted 3,800 inspections and  
24 issued approximately 3,050 violations amounting to  
25 nearly \$7.2 million in fines imposed on those



violations that have been adjudicated so far. OSE has a track record of effectively fielding complaints, conducting investigations and taking appropriate enforcement actions. At the same time, OSE continues to expand on previous successes and has worked to develop a strategic approach to more proactive enforcement. Whenever complaint volume allows we try to devote 20% of our field inspections to targets identified through data analytics where an operator has most likely removed one or more units of housing from the market or has created dangerous or overcrowded conditions, which often coincide with illegal construction. We are also attentive to which neighborhoods face the greatest crisis of affordability. The problem of illegal short-term rentals in New York City adds to the variety of long-standing affordability issues that this Administration is committed to addressing. The illegal short-term rental problem is now homogenous, but rather it looks different across neighborhoods. In one neighborhood this can mean an entire rental stabilized building is converted to an illegal hotel. In another a two-family home might be converted to an illegal hostel with 21 rooms and 62 beds. Effective

2 enforcement requires tactic calibrated for these  
3 citywide difference. It also requires OSE to gather  
4 additional data to arm the city with a better  
5 understanding of a universe of violators so that they  
6 city can respond appropriately. Regarding Intro 981  
7 OSE and the Administration support the Council's  
8 overarching goal of adding additional tools that  
9 allow us to discern citywide patterns and trends and  
10 to identify locations and individuals that are the  
11 most commercialized or buildings that are saturated  
12 with individuals operators or egregious safety  
13 hazards. Such tools will allow OSE to conduct even  
14 more effective enforcement, and should deter the  
15 spread of these illegal practices. OSE will enforce  
16 whatever the law is while acknowledging that the  
17 universe of violators is not the same, and that the  
18 focus of the officer's robust enforcement efforts is  
19 on those individuals or entities that (1) undermine  
20 housing affordability by illegally removing one or  
21 more units of housing from the market. (2) Disrupt  
22 the communities and generate complaints about their  
23 activity, and (3) Expose guests and permanent  
24 residents alike to dangerous conditions. We are  
25 committed to working with the Council to ensure this

1 Intro best meets its intentions, and to ensure that  
2 the city receive additional data needed to allow us  
3 to best follow these strategic priorities. Regarding  
4 Intro No. 554 OSE supports these overarching goal of  
5 re-examining the current civil penalty structure so  
6 that it effectively deters egregious violators of  
7 laws prohibiting illegal hotels. OSE is also in  
8 favor or maintaining a civil penalty structure that  
9 acknowledges that the universal violators is not the  
10 same therefore, the range of civil penalties for less  
11 egregious violators should reflect that reality.  
12 Finally, the Preconsidered bill proposed to carve out  
13 one and two-family homes from the limitations on  
14 transient use and residential units in multiple  
15 dwellings. While this section of the law this bill  
16 proposed to amend is not the section of law that  
17 applies to one and two family homes our overarching  
18 policy concern with the goal of the proposed  
19 legislation is it will result in an increase in  
20 transient occupancies citywide. While the state's  
21 Multiple Dwelling Law does not apply to one and two-  
22 family homes, the city's Housing Maintenance Code and  
23 Building Code apply virtually identical rules to one  
24 and two-family homes, which are a vital and plentiful

2 component of the city's residential housing stock.  
3 Because there remains confusion as to what the rule  
4 is, I want to state in general terms. To rent for  
5 fewer for fewer than 30 days no matter what kind of  
6 permanent residential building, you could have no  
7 more than two paying guests and you must maintain a  
8 common household with the guests, meaning you need to  
9 be staying he the individual dwelling unit that the  
10 guests are occupying and the guests must have full  
11 access to every means of egress in all of the basic  
12 facilities of the unit. I look forward to continuing  
13 to refine these strategies through evaluation and  
14 input from the Council and other key parties. We are  
15 committed to working with the Council and addressing  
16 all forms of transient lodging as this issue remains  
17 important and complex. I am confident that the  
18 Office of Special Enforcement is playing an important  
19 role in addressing illegal transient rentals and the  
20 office will continue to work diligently to pursue  
21 this mandate. Thank you for the opportunity to  
22 testify. I'm available to answer any questions the  
23 committee may have.

24 CHAIRPERSON CORNEGY: So, thank you. I'm  
25 going to ask for something a little bit unorthodox,

2 and that is that if the Administration would allow  
3 for my state colleagues who are here to testimony  
4 before—to give testimony before we go into our round  
5 of questioning. So, I would just ask that we call  
6 Linda Rosenthal and Liz Kruger who are two state  
7 colleagues who I have a lot of respect for, and allow  
8 them in the interest of time to give their testimony.  
9 I'm going to ask the Administration to come back for  
10 questioning.

11 CHRISTIAN KLOSSNER: Thank you.

12 [background comments, pause]

13 Good morning.

14 CHAIRPERSON CORNEGY: Good morning.

15 I think we've--

16 CHAIRPERSON CORNEGY: I—I know who you  
17 are, but if you'd just identify yourself for the  
18 record.

19 SENATOR KRUEGER: Absolutely. My name is  
20 Liz Krueger. I'm the State Senator for District 28,  
21 Manhattan, Union Square up to 96<sup>th</sup> Street mostly the  
22 East Side, but I wander through the west a little  
23 bit. Nice to see you all. So, I appreciate your  
24 time today. I can't tell you how important I think  
25 it is that the City Council take up these bills.

2 This is an issue that I've now been dealing with over  
3 a decade because as I think many people know sort of  
4 ground zero for where this all started was the  
5 Midtown Manhattan Upper West Side where Senator Linda  
6 Rosenthal is the representative is, Hell's Kitchen,  
7 Times Square, West and East Midtown. So, some of us  
8 have been dealing with this growing problem now for  
9 way over a decade. Back in 2010, Assembly Member  
10 Dick Godfried and I passed legislation trying to  
11 clarify the ambiguous—ambiguities—oh, my goodness—  
12 ambiguities. Excuse me that we saw in City and state  
13 laws that made it difficult for the city to enforce  
14 and take action against illegal hotel operators.  
15 That was after a working group of city and states  
16 government came together, many different agencies  
17 with advocates and with tenants and communities being  
18 impacted by what was then a much smaller problem for  
19 the city of New York. Subsequently, a Local Laws  
20 2012, Local Laws 45 sponsored by then Council Member  
21 Gale Brewer classified illegal hotel violations as  
22 immediately hazardous and increase the fines the city  
23 can impose. I'm so glad that Helen Rosenthal today  
24 is carrying a bill to increase fines because one of  
25 the problems we have seen as the city has worked hard

2 to address this growing problem is that the fine  
3 level now is seen as just a cost of doing business by  
4 those people who are intentionally speculating on our  
5 affordable housing and they are intentionally  
6 removing it off the rolls for actual residents of the  
7 city of New York. So, I certainly agree that the  
8 City Council needs to strengthen the tools, the laws,  
9 but also have a fine schedule that reflects the  
10 pattern of what we're seeing happen. Since 2010's  
11 law removed, some of the obstacles preventing the  
12 city's Office of Special Enforcement to have the  
13 tools they needed to enforce the law, we've seen a  
14 growth in the problem because frankly the companies  
15 who are behind this have been intentionally  
16 obfuscating providing false information and spending  
17 an enormous amount of money advertising this activity  
18 without ever explaining to anyone probably what  
19 you're doing is illegal, probably what you're doing  
20 puts your own housing at risk, and probably what  
21 you're doing can result in your being evicted because  
22 you're violating your lease, and nobody is going to  
23 come and help you. And, you're going to end up  
24 thinking if you were a host that was renting out the  
25 unit that they lived in, but doing so illegally,

2 nobody is going to bother to explain to you in any  
3 way shape or form that your risk is your loss of your  
4 home, and that's a very real issue that we see  
5 continually and it's the most frustrating thing that  
6 my office deals with. People calling to say, well, I  
7 was renting out on Airbnb and now my landlord is  
8 evicting me. What can I do? And the punchline in  
9 many cases is absolutely nothing. You violated the  
10 law. You violated rent regulation law. You violated  
11 your lease, and whether or not you violated state  
12 law, that's not really the issue for you right now.  
13 Oops, sorry. How rude. The proliferation of illegal  
14 hotel activity has removed thousands of desperately  
15 housing units from the housing market. I think you  
16 all know that. I think that's why you're here today  
17 wit the bills that you're sponsoring. So, I won't go  
18 into some of the statistics there, but to remind  
19 everyone since it's also the Rent Guidelines Board  
20 Day, New York City has an extraordinarily low vacancy  
21 rate of under I believe 3-1/2% and the prevalence of  
22 illegal hotel activity in particular neighborhoods  
23 has resulted in the loss of thousands of units and  
24 has had a significant impact on the cost of housing  
25 in many communities. I think you probably all have



2 seen some of these reports of 2016 report BJH  
3 Advisors for the Housing Conservation Coordinators  
4 and MYF Legal Services found that the number of  
5 vacant rental apartments citywide would increase by  
6 10% if Airbnb impact listings were actually put back  
7 on the market and rental market. So, it skyrocketed  
8 rent in particular communities and this activity has  
9 decreased the number of affordable units we're all  
10 competing with in a city desperate for affordable  
11 housing. City Comptroller Scott Stringer recently  
12 concluded in his report that renters paid an  
13 additional \$1616 million in rent because short-term  
14 rental facilitated by Airbnb reduced the number of  
15 units available to rent on a long-term basis and  
16 drove up rental prices. \$616 million in increased  
17 rent. Most disturbingly a substantial percentage of  
18 illegal hotel activity takes place in regulated rent  
19 stabilized apartments and/or tax abatement programs  
20 intended to preserve affordable housing. So, in many  
21 cases constituents are forced to face harassment, and  
22 even eviction proceedings by unscrupulous building  
23 owners and managers who want to free up more  
24 residential units for this illegal but lucrative  
25 alternatives. Warehousing units as illegal hotel

2 rooms to remove them from rent regulation rolls for a  
3 year or more has even become a back door tactic to  
4 deregulate our housing market by some building  
5 owners. So, the taxpayers are unknowingly and  
6 unintentionally subsidizing this business model even  
7 as it shrinks the universe of affordable housing  
8 available to the residents of New York City. Most of  
9 the booking companies that facilitate illegal hotel  
10 activity are attempting to create a false distinction  
11 between bad illegal hotel operators and hosts who  
12 participate in the new sharing economy. Please watch  
13 our for the language. I've been seeing this now for  
14 over a decade. They like to spend, but they really  
15 intend to be good guys and it's just some people are  
16 bad apples. No, their business model is a bad apple  
17 when it comes to the affordability of housing, and  
18 availability of housing in the city of New York.  
19 This is not someone else. This is their business  
20 model, and many of us have gone over with them for  
21 years how they could correct their business model to  
22 have truth in advertising to let people know when  
23 they go online and they type in a Zip Code in New  
24 York City whether its become a host or a guest that  
25 something would pop up saying: This is the law.

2 These are the risks you face, buyer beware and they  
3 intentionally don't let buy beware. I've gone on in  
4 the testimony about the fact that their data and  
5 reality do not match, and that they continue to  
6 provide data to government and other sources that is  
7 easily proved false by researchers from universities  
8 and think tanks around the country and, in fact, the  
9 world because what you're doing here in the City  
10 Council hopefully today or soon reflects patterns of  
11 what cities around the world have found it necessary  
12 to do to counter bad business practice by these  
13 companies not just here in New York but San  
14 Francisco, L.A., Chicago, Boston. Major around the  
15 world Barcelona, Paris, London. Australia is  
16 particularly concerned about this issue, and again,  
17 this is mostly in my testimony so I will skip it, but  
18 just to be crystal clear, the so-called regular  
19 Airbnb host, the company claims it wants to protect  
20 the primary. The primary threat is not the city—the  
21 primary threat is not city or state enforcement.  
22 Just to re-enforce, people are losing their homes  
23 because of contract law. They have leases. The  
24 leases say they cannot provide business services in a  
25 residential unit. Rent regulated leases are very

2 clear about what you can do and not do, and so people  
3 are actually being evicted from their homes probably  
4 one of the top issues for the City Council because I  
5 know it is for Assembly and Senate members here in  
6 New York City. The primary threat facing them is the  
7 reality that they've been enticed into being  
8 neighbors that violate their leases, and that it's an  
9 easy pretext for eviction when a landlord sees more  
10 opportunity either in simply expanding more and more  
11 units to be used as illegal hotels or to evict  
12 current residents and replace with higher paying  
13 residents in the future. We already heard OSE  
14 testify to what they're trying to do and what they've  
15 become more and more effective doing, but I will tell  
16 you they need more data. They need more tools. They  
17 are being outflanked by the companies, and you  
18 probably don't want to put a cop in every building  
19 checking who's coming in and out without luggage,  
20 backed with luggage I would argue that would be a  
21 bad use of public money, but in the absence of  
22 putting someone at the front door every building  
23 checking their status when they show up with luggage,  
24 we need to give OSE the—the tools they need to track  
25 and enforce, and I believe that's exactly what the

2 bill that you are reviewing today would do. So,  
3 thank you very much for submitting that bill. Again,  
4 I'm going to skip everything except to highlight no  
5 doubt somebody today will try to claim that the  
6 legislation by I think Senator Rivera would violate  
7 the community-Communications Decency Act at the  
8 federal level, which the companies claim prevent New  
9 York City and often New York State from doing  
10 anything involving interactive computer service  
11 activities. I believe that this bill has been very  
12 carefully crafted to avoid violating the community-  
13 Communication Decency Act and that you would withhold  
14 legal challenge, which no doubt would follow the  
15 passage of this law, but you know what? Other cities  
16 that have faced the exact same issue passed laws that  
17 they need to protect their residents, and have been  
18 victorious in court, and I am quite sure that the  
19 city of New York's talented attorneys can ensure that  
20 even if you would face some kind of court course  
21 around that specific issue, the court would uphold  
22 the city of New York's right to pass laws that  
23 protect its residents and it's housing Stock, and I  
24 just want to stop and thank you for having me testify

2 today, and I would be happy to take questions at the  
3 end or whenever you would wish, Chairman.

4 CHAIRPERSON CORNEGY: Thank you so much.  
5 I believe that at least one of my colleagues Keith  
6 Powers has a comment.

7 COUNCIL MEMBER POWERS: Oh, we need a  
8 tough-tough chair here. I just want to say thank you  
9 both to you for coming. My Council District overlaps  
10 with both of-of your districts. Something that  
11 Rosenthal and no small piece and obviously State  
12 Senator in larger-Senator Liz Krueger in a large  
13 piece of the district, and when we speak up here  
14 about some of the issues and the constituent calls  
15 that we get, even the same day. I think there were  
16 some reports last week put out. I was getting a  
17 constituent call from my district around somebody  
18 concerning short-term rentals. I just want to say  
19 thank you, and on this issue I just want to be clear  
20 predates the online booking sources, and I think both  
21 of you upon being elected to the Assembly and the  
22 State Senator in some short time spent after  
23 participated in an Illegal Hotels Working Group that  
24 was probably I think-I think Housing and Conservation  
25 Coordinators and all those put together that I served

2 on as a staffer as well. So, this is the—to me this  
3 issue dates far beyond the online ability to do this  
4 and was a commercialization of our affordable housing  
5 stock, you know, beyond the resident use. So, I just  
6 wanted to say thank you for coming, and—and reading  
7 both of your testimony, and I know Assembly Woman  
8 Rosenthal as well, very—a very good read for those  
9 who are—who are interested to the long-term history  
10 here, and certainly state actions as well. So, thank  
11 you to both of you. I just want to say thank you for  
12 both being here.

13 SENATOR KRUEGER: Thank you, very much.

14 CHAIRPERSON CORNEGY: Assembly Member  
15 Rosenthal. Well, I'm—I'm going to ask you, although  
16 most of us know who you are, would you please for the  
17 record.

18 ASSEMBLY MEMBER ROSENTHAL: Okay, is  
19 this. Okay. Yes, I'm Assembly Member Linda B.  
20 Rosenthal. I represent the 67<sup>th</sup> Assembly District,  
21 which includes the Upper West Side and parts of  
22 Hell's Kitchen in Manhattan. Thank you so much for  
23 having me here. I'd like to give a particular shout-  
24 out to a couple of my colleagues who I served with in  
25 Albany. It's great to see you here and deeply

2 involved in all of the great issues that we fight  
3 alongside each other with. So, thank you for the  
4 opportunity to testify in support of Intro No. 981,  
5 which would require Internet based short-term rental  
6 booking websites to provide the appropriate city  
7 enforcement agency with address and other relevant  
8 data to ensure that the rental complies with the  
9 Multiple Dwelling Law, the State Law prohibiting  
10 illegal hotels. I'm the sponsor of state level  
11 legislation to require address and related data  
12 disclosure from online booking services and as well  
13 as the author the 2016 law that cracked down on  
14 illegal hotels by prohibiting online advertisements  
15 of those illegal units. I commend the bill's sponsor  
16 and her colleagues for this effort to protect New  
17 York's communities from the spread of illegal hotels,  
18 which drive up the cost of housing for all New  
19 Yorkers making New York affordable to only the  
20 wealthiest among us and tourists. In reference to  
21 what Council Member Powers said, when I was first  
22 elected in 2006, I got involved with the illegal  
23 hotel industry that was operating on the Upper West  
24 Side in a place in particular called the Imperial  
25 Court, which was an SRO, and the landlord there



2 decided to rent out units although he denied doing  
3 so. So, along with Goddard Riverside SRO Law Project  
4 I booked a room online for two night. This is when—  
5 when the owner who has consistently fought all the  
6 laws concerning illegal hotels, insisted that he did  
7 not engage in such a process. So, you know, starting  
8 in '06 and '07 we became aware that this kind of  
9 illegal rental industry was around only after Airbnb  
10 entered the fray as well as other—other—some other  
11 sites it would pick up and become what is today a  
12 scourge in our city in cities around the U.S. and, in  
13 fact, in cities around the world. This legislation  
14 will provide the city with a new powerful tool to  
15 crack down on illegal hotel operators who use Airbnb  
16 and similar Internet based platforms to skirt the  
17 laws designed to protect our affordable housing stock  
18 and hardworking families. As Senator Krueger pointed  
19 out, since 2010, these laws have been in place.  
20 Airbnb has flouted them and caused 13,000 plus units  
21 to be lost through flouting a law that has been on  
22 the books for eight years. That's—that is just  
23 missing from—from the story of Airbnb. The fact is  
24 that there are precise rules and regulations in the  
25 law that state what is legal and what is illegal. The

2 fact that Airbnb, which is overall a technology  
3 company has the wherewithal to pull the listings for  
4 illegal units and refuses to do so is something that  
5 has compelled Council Member Rivera and I and Senator  
6 Krueger and a lot of us to have legislation and to  
7 support efforts to get Airbnb to get itself in line.  
8 It refused to do so, and why is that. Perhaps 50% of  
9 the units listed on its site are illegal units. They  
10 know that. They know how to pull them off because  
11 every once in a while they throw a list of up and say  
12 look, we've—we've eliminated the illegal units  
13 advertising on our site. Okay, you can do that. You  
14 can do that every single day. Airbnb can refuse to  
15 accept advertisements for illegal units. It knows how  
16 to do it. It's done it before. Why does it refuse  
17 to do so? And it's only because of Airbnb's decision  
18 to profit off the housing stock of New York City that  
19 we are compelled to introduce legislation such as  
20 this and we will continue to work on this because  
21 Airbnb is not a good corporate citizen. Airbnb is a  
22 money making scheme for those who invest in it, those  
23 who profit off it, and we are left here with people  
24 who are homeless. People who cannot afford to live  
25 in this city because Airbnb and other online

2 industries refuse to comply with the law. What we've  
3 seen is that this kind of illegal hotel growth has  
4 professionalized and legitimized that industry, which  
5 has had devastating consequences for New Yorkers,  
6 their communities and the housing stock. According  
7 to a recent Magellan (sp?) New York City Report on  
8 the Airbnb's impact on New York City's housing stock,  
9 Airbnb has been found to be directly responsible for  
10 the loss of 13,500 units. An audit conducted by  
11 Comptroller Scott Stringer concluded that as a result  
12 of the Airbnb cause housing scarcity, hardworking New  
13 Yorkers paid \$616 million more in rent between 2009  
14 and 2016. Despite all of this and the fact that  
15 Airbnb discloses address and other data to regulators  
16 in many other cities across the country such as San  
17 Francisco, Chicago and New Orleans, Airbnb refused to  
18 provide the city with information that would help  
19 protect our affordable housing stock and the New  
20 Yorkers who rely on it to be able to afford to live  
21 in this city. Airbnb refusal to provide New York  
22 with the information that it freely provides to  
23 officials in other cities is motivated by profit and  
24 greed. Profit and greed alone. Nearly 40,000—of  
25 nearly 40,000 active Airbnb listings, nearly 50–50%

2 are illegal generating \$345 million in revenue from  
3 illegal listings in 2017 alone. In addition to the  
4 impact that Airbnb has had on our housing stock, fire  
5 and building safety codes differ based on the type of  
6 occupancy, and rental units do not provide short-term  
7 tourists with the same level of protection that  
8 hotels do. So, Airbnb endangers New Yorkers' housing  
9 stock. Airbnb endangers through its careless uncaring  
10 and careless view of our laws so they don't care that  
11 their tourists might be in a firetrap. They don't  
12 care that there might be security issues where their  
13 tourists book overnight stays for what is not  
14 generally a cheap night. I have seen listings that go  
15 for hundreds of dollars a night. Were it me, I'd be  
16 staying in place where someone makes my bed.  
17 [laughter] Which I do in Albany actually. I have  
18 received calls in my office from places all over the  
19 city complaining about Airbnb use in their buildings.  
20 So, it's not just that their laundry rooms are  
21 converted into lounges with neon lights and fun  
22 activities for tourists. It's not just that they  
23 can't get into their elevators because they are full  
24 of tourists all day an all night with their big bulky  
25 suitcases. It's also that there's trash strewn

2 around leading to an increase in vermin endangering  
3 the safety of community and building residents. Do  
4 you remember a day when the key to your front door of  
5 your building was a sacred object that you guarded  
6 with your life because it meant safety for everyone  
7 who lived in the building. Now, anyone from anywhere  
8 who books a room has the key to your building's front  
9 door. How is that safe? How is that acceptable?  
10 How I that Airbnb lets that happen because Airbnb  
11 does not care. You know who does care, though, are  
12 all the hundreds of Airbnb lobbyists out there.  
13 Airbnb lobbyists invade the halls of Albany and they  
14 try to persuade members to take their names off good  
15 housing protective bills that Airbnb opposed. For  
16 example, my bill. That does similar things to what  
17 Assembly-Senator-Congress-Council Member Rivera's  
18 bill does. They have lobbied everyone up there and  
19 many firms. Many of them are here today. They are a  
20 bullying force. They try to bully people or  
21 institutions that attempt to shine some light on  
22 their illegal operations. When the State Legislature  
23 passed my bill to ban advertising of illegal  
24 listings, Airbnb threatened the Governor and then  
25 sued the State and City of New York when it didn't

2 get its way. Airbnb goes to great lengths to silence  
3 its critics and spends heavily to prevent any efforts  
4 at compelling transparency. It's not hard to  
5 understand what Airbnb has to hide given that its  
6 bottom line is predicated on its ability to hide the  
7 illegal activity transacted on its site. So,  
8 everyone in the Council have courage. I know you do.  
9 Most of you have put your names on Council Member  
10 Rivera's bill and for good reason because our jobs as  
11 elected officials is to protect our constituents, to  
12 make sure that they have decent affordable housing in  
13 addition to many other things, and Airbnb's website  
14 runs counter to what our job is. Airbnb' brazen and  
15 continued to refusal to comply with state laws that  
16 protect our affordable housing and tenants and the  
17 public safety makes Intro 981 necessary so the city  
18 can stop illegal hotel activity that Airbnb's website  
19 helps promote and facilitates. Passage of Intro 981  
20 is a great step that will help protect New York City  
21 residents. I look forward to working with all of you  
22 in furtherance of this goal. Anyone who has a spare  
23 moment tonight, go to Airbnb's website. Go pick a  
24 neighborhood any neighborhood and you will see that  
25 the majority of the listings are for full apartments.

2 That on its face means illegal unless it's a one or  
3 two-family unit. So, check it out, spend a couple of  
4 minutes. You will see for yourself how Airbnb has  
5 changed the housing landscape in this city, and why  
6 we need to fight so furiously to protect our housing  
7 stock. Thank you very much.

8 CHAIRPERSON CORNEGY: Thank you so much  
9 Assembly Woman. We're going to ask the  
10 Administration to come back. Okay. Just one second.  
11 One of my colleagues Council Member Gjonaj has a  
12 question.

13 COUNCIL MEMBER GJONAJ: First of all,  
14 it's so good to see both of you Senator and Assembly  
15 Woman, and I'm looking forward to reciprocating the  
16 visit when the session begins again, and thank you-if  
17 they let me in Albany. Thank you for your passionate  
18 testimony. I do have a question for you when it  
19 comes tenants in rent stabilized apartments that rent  
20 or take advantage of their Airbnb service. How  
21 should we hold them accountable?

22 SENATOR KRUEGER: Hi. Thank you. Well,  
23 actually the law does hold them accountable. If you  
24 are in a rent regulated apartment and you are renting  
25 out on Airbnb, or one of the other websites, and it's

2 not a legal sharing of the apartment on an ongoing  
3 basis under your lease, you face eviction by your  
4 landlord for violating your rent regulated lease.  
5 There are some Housing Court judges who will say if  
6 you stop doing this, and you pay back the money, we  
7 will, quote/unquote "cure the penalty" at least once  
8 so that your—you—you may face an eviction but my not  
9 actually be evicted, but if you go and do a search of  
10 newspaper stories or spend more time and actually go  
11 to the court system and track, you will find cases  
12 where tenants have lost their homes. And in New York  
13 City I'm not sure short of going to jail what penalty  
14 is worse than being a low-income person with an  
15 affordable unit who loses that home. So, the  
16 penalties are extreme when you imagine being at risk  
17 of losing your home and perhaps ending up as one of  
18 tens of thousands of homeless in the city.

19 COUNCIL MEMBER GJONAJ: Okay.

20 ASSEMBLY MEMBER ROSENTHAL: I'd like to  
21 say that Airbnb bears a particular responsibility to  
22 those who use its site. I have spoken directly to  
23 Airbnb employees and said why don't you on the first  
24 page when someone goes on the Airbnb website say  
25 exactly what the law is. That way those who might



2 want to advertise will say, oh, wait, I'm not going  
3 to be there. I live in a rent stabilized apartment.  
4 I'm doing it for two nights. That's not legal. I  
5 will not risk losing my apartment. In addition,  
6 Airbnb has been a reputable brand. For those who  
7 don't know, don't delve deeply into its background  
8 they think it's a reputable brand. Therefore,  
9 advertising on it would seem to be a legal activity.  
10 It would seem to be something that this okay.  
11 Otherwise Airbnb would no allow it, and that's a  
12 falsehood. That's where Airbnb can intervene and  
13 prevent people who are doing something that they  
14 think is legal but is, in fact, is not from losing  
15 their homes or incurring great fines stumbling into  
16 an illegal activity they had no idea was illegal.  
17 You would not allow heroin to be sold on an Airbnb or  
18 any website because that's illegal. Why does Airbnb  
19 allow illegal advertising on its site? Because it  
20 doesn't care about those tenants. Actually, more  
21 apartments being lost from the affordable housing  
22 stock equals more units to be advertised on Airbnb  
23 for illegal rentals. So Airbnb has a deep  
24 responsibility to not allow tenants in danger of  
25 losing their units because it's illegal from

2 advertising. They could prevent this whole mess.  
3 They refuse to because of the profit and greed  
4 motive.

5           SENATOR KRUEGER: But I'll—I'll—may I also  
6 just-- So many of the units that you read about in  
7 the stories about being rent regulated and ending an  
8 Airbnb as a story in AM New York I believe today with  
9 an OSC case where you had somebody renting out groups  
10 of rent regulated apartments. They weren't the  
11 tenants in any of them. There was on doubt landlord  
12 participation in that because when somebody is  
13 renting multiple units of the same building hello. It  
14 can't be a rent regulated story line under law, and  
15 then they were breaking them up into tiny little  
16 units. I believe one story was a two bedroom  
17 apartment turned into five separate units with as  
18 many as six beds in a subunit and beds in the  
19 kitchen. Those are rent regulated apartments  
20 according to the story that were taken off the  
21 market, turned into illegal hotel units. There was  
22 clearly participation by both the online company, the  
23 entity renting multiple rent regulated units to be  
24 used illegally and I have to believe when you're  
25 talking about multiple apartments in a building

2 broken out separate walls into multiple units that  
3 there was landlord participation also.

4 COUNCIL MEMBER GJONAJ: I-I couldn't  
5 agree with your more when it comes to property owners  
6 that are doing this, but I go back to see you both  
7 agree that in instances of abuse by tenants that you  
8 would both support evicting those tenants although  
9 they're rent stabilized and they're raking advantage  
10 after repeat warnings and so on and so forth because  
11 it goes on much more than we read about or hear  
12 about, and it's very difficult for landlords to even  
13 prove, and have experienced this in my previous life,  
14 I can attest to it that tenants have taken advantage  
15 of relaxed enforcement and when approached continue  
16 to abuse the repeat--and actually, it became a  
17 business model for many of the rent stabilized  
18 tenants where they profited handsomely from the  
19 Airbnb and other sites. So, my question again is on  
20 repeat offenders, egregious cases of abuse by rent  
21 stabilized tenants, would you support evicting those  
22 tenants when they fought--when they've refused to  
23 comply with the law.

24 ASSEMBLY MEMBER ROSENTHAL: Well, I'm--

2 SENATOR KRUEGER: So, you're not going to  
3 get me to support evicting tenants.

4 ASSEMBLY MEMBER ROSENTHAL: We don't  
5 support evicting tenants.

6 SENATOR KRUEGER: But there are--

7 COUNCIL MEMBER GJONAJ: [interposing]  
8 Isn't that unfair?

9 SENATOR KRUEGER: No because there's  
10 actually a system in place where they can be evicted  
11 through the courts if the landlord can document that.  
12 So, we already have laws that do that. Are you  
13 asking—I think me and Linda personally should we  
14 increase the opportunities to evict people? No, I  
15 think we have big enough problems in New York  
16 already.

17 COUNCIL MEMBER GJONAJ: So, my point is  
18 that we don't hold everyone accountable to the same  
19 standard.

20 ASSEMBLY MEMBER ROSENTHAL: [interposing]  
21 But in fact the OSE—

22 COUNCIL MEMBER GJONAJ: [interposing] And  
23 I'm and I'm hopeful that we would hold everyone to  
24 the same standard when it comes to breaking the law.  
25 So, if we hold property owners—[person shouting] to

2 one-to one standard, we should hold tenants to the  
3 same standard. That's my point.

4 SENATOR KRUEGER: And I think—I think New  
5 York State Laws under rent regulation do hold people  
6 accountable. What I think we don't have is anything  
7 that holds he online companies accountable--

8 COUNCIL MEMBER GJONAJ: [interposing] I'm  
9 looking forward to doing that.

10 SENATOR KRUEGER: --for encouraging  
11 lawlessness and making--

12 COUNCIL MEMBER GJONAJ:[interposing] And  
13 in the meantime until we have it currently. Thank  
14 you so much.

15 ASSEMBLY MEMBER ROSENTHAL: In fact, many  
16 tenants have been evicted. So, I—I don't believe  
17 that, you know, the laws haven't-haven't worked.  
18 Tenants have been evicted sadly. They haven't  
19 complied with the law. I think that in all cases we  
20 should try to keep people in their units and that's  
21 what the courts do. That's—that's the court's  
22 purview.

23 COUNCIL MEMBER GJONAJ: So, in extreme  
24 this is that repeat offender regardless. I'm not  
25 looking for the one--

2 ASSEMBLY MEMBER ROSENTHAL: [interposing]

3 Yes.

4 COUNCIL MEMBER GJONAJ: --who unknowingly  
5 may have--

6 ASSEMBLY MEMBER ROSENTHAL: Yes.

7 COUNCIL MEMBER GJONAJ: --participated  
8 once a couple of day years is not the person I'm  
9 referring to.

10 ASSEMBLY MEMBER ROSENTHAL: Yes, yes, and  
11 let Airbnb say we're depriving people of opportunity  
12 to rent out their units, there are ways to do this  
13 legally, which are fine, which the law allows. So,  
14 you know, people can rent out their units if they are  
15 present for less than 30 days as Christina Klossner  
16 illustrated earlier.

17 COUNCIL MEMBER GJONAJ: Provided they  
18 don't make a profit of more than 10% and many do and  
19 just gets very complicated. That's why it's very  
20 difficult to prove.

21 ASSEMBLY MEMBER ROSENTHAL: [interposing]  
22 It does. You know, it's best to stay away.

23 SENATOR KRUEGER: But I--but-but if you are  
24 a rent regulated tenant and you have extra space in

2 your apartment and you want to explore a legal sublet  
3 getting a roommate that is legal--

4 COUNCIL MEMBER GJONAJ: Yeah, that's  
5 great.

6 SENATOR KRUEGER: --and yes you're right  
7 that if we put a limit on how much a landlord can  
8 draw under rent regulation I think it is reasonable  
9 to assume that somebody who's a tenant of theirs  
10 shouldn't be making money off of that.

11 COUNCIL MEMBER GJONAJ: Thank you.

12 ASSEMBLY MEMBER ROSENTHAL: Agreed,  
13 agreed, I agree with that.

14 CHAIRPERSON CORNEGY: [interposing] Thank  
15 you so much for your testimony.

16 ASSEMBLY MEMBER ROSENTHAL: Thank you.

17 SENATOR KRUEGER: [off mic] Thank you very  
18 much.

19 CHAIRPERSON CORNEGY: Alright, I'll ask  
20 the Administration to come back to be able to answer  
21 the--answer questions and I'll begin this round of  
22 questions. We are going be cause of time and because  
23 of the size of the panels, we're going to ask all our  
24 council members and their questions to keep it to  
25 three minutes so we'll put everyone on he clock--a

2 three-minute clock, please. [background comments,  
3 pause] So, again, would you just state your name for  
4 the record?

5 CHRISTIAN KLOSSNER: Cristian Klossner,  
6 Executive Director of the Mayor's Office of Special  
7 Enforcement.

8 CHAIRPERSON CORNEGY: So, I'll start with  
9 my question on Intro 981 in relation to the  
10 regulation of short-term residential rentals. How  
11 many short-term rentals in New York City provide—  
12 provided through and online booking service is the  
13 OSE currently aware of?

14 CHRISTIAN KLOSSNER: Looking at data from  
15 the platforms themselves, we believe there are  
16 approximately 60,000 unique listings across the five  
17 biggest sets.

18 CHAIRPERSON CORNEGY: And currently what  
19 information, if any, does OSE collect or gather from  
20 booking services?

21 CHRISTIAN KLOSSNER: From the services  
22 themselves nothing. There is information that is  
23 captured by private entities that aggregate the  
24 information and make it publicly available.



2 CHAIRPERSON CORNEGY: So, is there an  
3 internal part of OSE like so there's obviously the-  
4 the OSE part of the division that goes out. Is there  
5 an internal part of OSE that is looking at sites and  
6 trying to glean information because there's some idea  
7 that some of the information if-if anyone spent  
8 enough time could get particular information from the  
9 site just by going on. Is there a part of OSE that's  
10 assigned directly for dealing with breaking down the  
11 sites and getting the-gathering information at this  
12 point?

13 CHRISTIAN KLOSSNER: Part of the  
14 expansion was to give us-part of the expansion of  
15 staffing resources for the Office of Special  
16 Enforcement was to create a research team. That  
17 research team works diligently to marry what we are  
18 finding in the field with what exists only online.  
19 We routinely when find illegal conduct in the field  
20 are trying to marry it to the online world if we're  
21 finding illegal transient renting. We are going to  
22 try to find who the host is what listing it is, and  
23 we're going to look not just at that listing, and to  
24 determine is this is a high frequency listing? Is it  
25 a dangerous listing? We're also going to try to

2 understand does this listing implicate a broader  
3 portfolio? Is this a user with multiple listings?  
4 Is this a user with multiple host ideas with  
5 different names? Is this a listing in a building  
6 where there a large commercial portfolio existing  
7 across multiple buildings that are tied to this user?  
8 So, yes, we do have a team that is dedicated to  
9 enhancing our field work and focusing on who the most  
10 egregious operators are and trying to address--as I  
11 said in my testimony to detect the patterns and to  
12 help us prioritize where enforcement needs to focus .

13 CHAIRPERSON CORNEGY: So, you mentioned  
14 the expansion, and you're talking about the increase  
15 in the budget to expand OSE. What was the amount?

16 CHRISTIAN KLOSSNER: In this--in the past--  
17 in the current budget, the FY19 Adopted added \$1.5  
18 million and an additional 19 headcount. The  
19 expansion I was referring to is--was the original  
20 expansion around the time I first started in 2015.

21 CHAIRPERSON CORNEGY: The--the 19 what's  
22 the breakdown in terms of--in--in terms of rolls for  
23 that 19?

24 CHRISTIAN KLOSSNER: It's a--it is a mix  
25 of buildings and fire inspectors, additional

2 researchers, additional attorneys and additional  
3 communication staff person. I apologize. I don't  
4 have the specific breakdown, but we'd be happy to get  
5 that to you.

6 CHAIRPERSON CORNEGY: I'm sorry, the last  
7 point?

8 CHRISTIAN KLOSSNER: I don't have the  
9 very—I don't have the number-by-number. I don't want  
10 to misstate it. I would be happy to get that to you.

11 CHAIRPERSON CORNEGY: Yes, that's  
12 something I'd like to see. The methodology for your  
13 research--

14 CHRISTIAN KLOSSNER: [interposing] So, I  
15 should also add that the—the terms and conditions of  
16 the budget do require us to report. So, we will also  
17 on July 1<sup>st</sup> we will give to the Council a full  
18 reporting of what our field headcount is and what our  
19 authorized of that count is.

20 CHAIRPERSON CORNEGY: I'm sorry. I don't  
21 know if it's just the cloudiness in my head form  
22 this--

23 CHRISTIAN KLOSSNER: [interposing] No,  
24 it's probably--

25 CHAIRPERSON CORNEGY: --or my allergies--

2 CHRISTIAN KLOSSNER: --that I mumble--

3 CHAIRPERSON CORNEGY: I can't hear you.

4 CHRISTIAN KLOSSNER: --I can't complain  
5 and I'll sit a little closer to the mic. Is that--is  
6 that better?

7 CHAIRPERSON CORNEGY: A little bit  
8 better. I don't know. My colleagues are you guys  
9 having difficulty hearing as well or is it just me?  
10 [coughs] Thank you.

11 CHRISTIAN KLOSSNER: In the terms and  
12 conditions for the budget, there is a provision that  
13 requires OSE to report to the Council what the  
14 authorized and what the field head count is, and--and  
15 that report is due July 1<sup>st</sup>. We will still certainly  
16 give you the breakdown for what the expansion is, but  
17 a fully report of what positions are authorized and  
18 filled will be coming the Council by July 1<sup>st</sup>.

19 CHAIRPERSON CORNEGY: Right so, I--I know  
20 that, you know, the Council was, you know, signed off  
21 on the budget and--and most of us who are on the  
22 Budget Negotiation Team were aware that this  
23 expansion was taking place. I'm just wondering in  
24 relationship to both my colleagues' bills, what--what  
25 was--what was the goal? Like was the goal in the

2 expansion to add more staff so that you could do more  
3 research as it relates to some of the contents of the  
4 bills that both of the—of my colleagues have put  
5 forward because obviously this was before so I—I feel  
6 like we are trying to do something simultaneously.  
7 What was OSE's goal in expanding its staff and asking  
8 for that increasing in the budget? Was it to be able  
9 to go out and do more inspections? Was it—was it to  
10 troll the Internet to, you know, better—and to better  
11 assess these sites and get a breakdown?

12 CHRISTIAN KLOSSNER: So, our operations  
13 are a marriage of several agencies and both field and  
14 online and research functions combined with legal  
15 staff. So, this allows us to expand and broaden that  
16 function. It allows us to do more inspections. It  
17 allows us to do more dedicated research. It allows  
18 us to do additional lawsuits, and to engage in a  
19 variety of legal practices we do to enhance our  
20 enforcement, and as these bills develop, we will  
21 certainly need to look to make sure we have the  
22 additional resources, but certainly the requests came  
23 with a mind to the future given the proposals.

24 CHAIRPERSON CORNEGY: So, I'm going to  
25 let some of my colleagues ask questions, but on the

2 second round when I come back, I'd like to address  
3 with you the opposition to my—to my proposed intro  
4 from the Administration, but we'll go to the  
5 questions from my colleagues for now. [pause] We'll  
6 start with Council Member Rosenthal.

7 COUNCIL MEMBER ROSENTHAL: I appreciate  
8 that, Chair. I need to scoot out to another event.  
9 Thank you so much for this hearing, Chair Cornegy.  
10 I'm going to ask a bunch of question related to Intro  
11 544, and all of them get at the question of are the  
12 fines a deterrent to renting out illegally or are  
13 they the cost of doing business? So, for example, in  
14 2017 or whatever years you have the data, how many  
15 violations were issued by OSE for illegal conversion  
16 of dwelling units from permanent residences and how  
17 many of those operators received the same violate—  
18 violate in 2000, you know, in years prior? How many  
19 maybe received violations, a number of violations  
20 just in 2017 and leading into 2018? You know,  
21 another way to say is the Attorney General's Report  
22 from 2014 found that approximately 6% of owners made  
23 30–36% of the total revenue from Airbnb give or take,  
24 and my understand is that more—that was from 2014.  
25 More recent figures are showing that roughly 5% of

2 those who are renting out are making over 50% of the  
3 revenue. I don't know if you're seeing it—I know you  
4 have a good analytic team. I don't know if you're  
5 seeing that as well, and the last point is: My  
6 understanding is that the owners who do not pay are  
7 more likely to be LLCs, and I'm wondering if you're  
8 seeing that? I do have your report from September  
9 2017, which does show that the overall payment of  
10 fines is only 26%. So, in other words people are  
11 getting fined and not paying. So you get the  
12 threats. Thank you.

13 CHRISTIAN KLOSSNER: And thank you. It's  
14 been now a couple of years since I first testified  
15 and you been a consistent leader on this issue, and I  
16 appreciate the support you've given to the office,  
17 and we look forward to continuing to work with on  
18 this bill and other issues. We—I guess broadly there  
19 is a question about numbers and so I can—let me just  
20 quickly say in 2017 there were 1,700 complaints that  
21 came to us relating to illegal short-term rentals.  
22 So, far this year there's already been 1,300, which  
23 1,300, which shows a significant increase in alarm  
24 being expressed [bell] to the city by residents of  
25 neighborhoods and buildings that this is occurring

1 in, In 2017, we conducted 3,800 inspections. So, far  
2 this year we've already done 2,350 inspections and in  
3 2017, we issued just over 3,000 violations. Already  
4 so far this year we've issued around 1,900  
5 violations, and so those numbers are continuing to  
6 grow and the 2017 numbers are both significant  
7 increases over the prior year. You mentioned our  
8 2000 or the report that we issued in 2017 and 2016,  
9 this coming September is when our 2017 Data Report is  
10 done. Many of the answers to the specific questions  
11 you asked I don't have now. They will be in that  
12 report. That report does break down. It lists all  
13 of the violations we issue what code they're for. It  
14 lists—there's a specific table that lists for people  
15 who received a violation under 210.3, which is one  
16 that is limited to multiple dwellings if they've also  
17 received that violation in previous years, which I  
18 think touches on one of the specific questions you  
19 have, and you mentioned the collection rate. I think  
20 one of the—one of the things that OSE has been very  
21 attentive to is trying to foster compliance with the  
22 buildings and deterrents from landlords allowing  
23 their buildings to be used this way is the  
24 collection. We take that very seriously. Part of  
25



2 our prior expansion included resources to ramp up  
3 collection, and it's something that we are continuing  
4 to address going after large amounts of debt from  
5 recalcitrant owners to make sure that they understand  
6 that there are consequences. That has been one of  
7 our main drivers in addressing the overall fine  
8 structure. You know, we're sort of committed to  
9 continuing to talk to it especially as we published  
10 this data to look at whether the fine structure is  
11 adequate or not, and we want to make sure that first  
12 time offenders at low scale are incentivized to  
13 correct and fix the problem and that serious  
14 operators are held accountable with fine amounts that  
15 will deter their conduct.

16 COUNCIL MEMBER ROSENTHAL: So, it sounds  
17 like that a few tweaks to the bill to make sure that  
18 we're getting at that goal. It could be an effective  
19 measure to get at repeat offenders.

20 CHRISTIAN KLOSSNER: And we're committed  
21 to working with you to make sure that it does.

22 COUNCIL MEMBER ROSENTHAL: Thank you very  
23 much.

24 CHRISTIAN KLOSSNER: Thank you.  
25

2 COUNCIL MEMBER ROSENTHAL: Thank you,  
3 Chair Cornegy.

4 CHAIRPERSON CORNEGY: Thank you. Council  
5 Member Rivera.

6 COUNCIL MEMBER RIVERA: Thank you so much  
7 for your testimony. You know, one of the—what I'm—one  
8 of the main things I'm trying to convey today is to  
9 some of the hosts who are here who are operating  
10 legally that we are not coming for you, and we want  
11 you to continue to supplement your income if you're  
12 doing it legally. So, I want to ask a few questions  
13 about the staff in your testimony in terms of  
14 reactive inspections and then proactive inspections.  
15 So, you mentioned 1,800 complaints through 311  
16 reporting and you said during that period, 3,800  
17 inspections and 3,050 violations. So, when you are  
18 reacting to a complaint, how often do you find that  
19 the operator is operating illegally?

20 CHRISTIAN KLOSSNER: I don't have that  
21 specific amount. The inspections includes every  
22 visit we do. It could be—it includes not just the—  
23 the inspections that result in a violation. It could  
24 be a first attempt. It could be a second attempt.  
25 Obviously, we're trying to pin down when transient is

2 happening. The-[pause] I'm-I'm not sure if I-I think  
3 that touches your question but tell me-

4 COUNCIL MEMBER RIVERA: [interposing] You  
5 did, you did.

6 CHRISTIAN KLOSSNER: --tell me what part  
7 is missing.

8 COUNCIL MEMBER RIVERA: Alright. No, it's  
9 okay. So, I see what-what I'm trying to ask is-is  
10 your success rate in linking complaints to people who  
11 are operating in an illegal way and-and and how  
12 effective your agency has been because some of the  
13 concerns that I've received in talking with some of  
14 the-the tenants and some of the people that are  
15 renting out their Airbnb, or through whatever home  
16 sharing service, is making sure that when you are  
17 doing inspections that they are done efficiently and  
18 that we have a transparent and accountable  
19 relationship between your agency and the City Council  
20 to be fair to everyone. So-so, if you can't answer  
21 that, and I realize it's-it's kind of-those are big  
22 numbers and-and you can get back to us with some of  
23 the percentages of-of some of the fines that you've  
24 given because you also have here \$7.2 million in  
25 fines. And so, maybe you could give us a breakdown of

2 what—of what those fines were, and who they were  
3 allocated to not specifically the people, but—and—and  
4 what violations is what I'm looking for. I'm looking  
5 for a breakdown of data. This—this bill is about  
6 reporting and transparency and data is going to be  
7 the most important piece and that's what we're trying  
8 to achieve here. So, then, the second things is you  
9 said 20% o your field inspections are through data  
10 analytics. So, what is some of the criteria for  
11 that? Also, you mentioned that you're attentive to  
12 which neighborhoods face the greatest crisis of  
13 affordability. So, based on complaints do you go  
14 into neighborhoods that have, you know, this—this  
15 kind of history or that are being gentrified? How  
16 does that look in terms of the criteria that you have  
17 to meet to go into some of these neighborhoods?

18 CHRISTIAN KLOSSNER: Alright, so we—so  
19 when the 20% of proactive inspections are not  
20 complaint generates. Those are when complaint volume  
21 allows us to do it, we try to add in 20% of our  
22 inspection docket [bell] to be proactive. When we're  
23 doing proactive, we are looking data from all  
24 sources, and what we are targeting is levels of  
25 activity that suggest that unit of housing is being

2 taken from the market. It isn't just simply can we  
3 find the person or not? It's are they using it so  
4 often? Do they have a review level that is  
5 consistent with not living there, but using it and  
6 taking it out of the residential market? We are also  
7 targeting conditions where there are egregious  
8 dangers. You know, if we are finding patterns—if  
9 we're finding 15 listings, and it's a two-family  
10 home, and every listing talks about occupying four  
11 people and there are bunk beds in the pictures, we  
12 have to go address that situation, and we will do  
13 that even without a complaint. And—and the point that  
14 we wanted to make is that we are keenly aware that  
15 our work touches on housing and affordability, and so  
16 we're in neighborhoods and there are lots of public  
17 reports on which neighborhoods face the most acute  
18 shortages of housing and the most acute pressures on  
19 affordability. If we have a choice, those are the  
20 neighborhoods that we want to do our work in because  
21 that's where we're trying to preserve units of  
22 housing especially those that are affordable.

23 COUNCIL MEMBER RIVERA: And—and just my  
24 last question, Mr. Chair is we—we heard from our  
25 colleagues in Albany, Assembly Member Rosenthal and

2 Senator Krueger, and one of them mentioned that with  
3 this bill there could potentially be an increase of  
4 up to 10% in the housing stock with regulation.

5 Would you agree that with this data provided by some  
6 of these home sharing companies that you would be  
7 able to realistically put housing back into the  
8 housing stock of New York City?

9 CHRISTIAN KLOSSNER: Our—our best  
10 estimate is that about 20 to 30% of listings are  
11 operating with commercial frequency. I think that  
12 that number is pretty consistent with what these  
13 reports have seen, and with the tools at our disposal  
14 in this—with this bill, we would be able to better  
15 target our enforcement. Half the people who are  
16 having the greatest impact whether it's in a  
17 building, whether it's a across a portfolio of  
18 buildings, whether it's across a portfolio of hosts,  
19 it's, you know, bad operators operate in a variety of  
20 different ways. Whatever those ways, knowing who  
21 they are and where the listings are will help us do  
22 best at protecting people's safety and protecting  
23 housing.

24 COUNCIL MEMBER RIVERA: Thank you.

2 CHAIRPERSON CORNEGY: Thank you. Council  
3 Member Powers.

4 COUNCIL MEMBER POWERS: Thank you. I'm  
5 going to pick up from Council Member Rivera, which is  
6 we represent adjacent districts. So that's not a  
7 surprise. The--just--you mentioned neighborhoods. Do  
8 you have data on which neighborhoods who have had the  
9 highest violations so far in 2018?

10 CHRISTIAN KLOSSNER: So far in 2018 no.  
11 We will be--the report and we'd be happy to. I think  
12 when we released it was before your tenure started.  
13 So, we would be happy to make sure that you have a  
14 copy of our 2016 report. The 2017 report is due  
15 September 1<sup>st</sup>, and that is disaggregated by Council.  
16 It lays our every single violation--

17 COUNCIL MEMBER POWERS: [interposing] Can  
18 you tell us which Council districts? Do you know  
19 today which Council Districts have the highest amount  
20 of violations?

21 CHRISTIAN KLOSSNER: Off the top of my  
22 head I can't.

23 COUNCIL MEMBER POWERS: Do you go by  
24 borough?

2 CHRISTIAN KLOSSNER: By-by borough I'm  
3 assuming Manhattan, Brooklyn and Queens probably  
4 Manhattan leading, but again, I-I would-I would  
5 prefer to give you the 2017 (sic)--

6 COUNCIL MEMBER POWERS: [interposing]  
7 Sure.

8 CHRISTIAN KLOSSNER: --report. We would  
9 be happy to set up a meeting with your staff to go  
10 over exactly what it is, and what it says.

11 COUNCIL MEMBER POWERS: Sure. I  
12 appreciate it, and--and with the violations I noticed  
13 you said you had 1,300 complaints this year and 1,900  
14 violations. Does that--do--those numbers is the higher  
15 amount of violations versus complaints mean that  
16 you're getting--or you're doing multiple violations at  
17 the locations in your estimation, the amount of  
18 violations at each location is like 1.5 or something  
19 like that or is it that you are--you are--a number of  
20 those are complaint-driven violations and there's a--  
21 an extra amount that are self-generated by the  
22 agency?

23 CHRISTIAN KLOSSNER: Thank you. You've  
24 almost answered my question. It's both. Certainly,  
25 where we're doing proactive enforcement, the number



2 of inspections will go up compared to the number of  
3 complaints, but you're right. It is not a one-for-  
4 one. Generally, we are issuing a violation for the  
5 illegal conversion whether it's under 210.3 for  
6 multiple dwellings or under a different provision in  
7 the Administrative Code for one or two families, and  
8 then because the building exists as transient use, we  
9 are also issuing violations for not having the  
10 adequate fire and safety provisions that the city has  
11 for decades had in place when there is transient use  
12 of the building adequate ways of escaping if there's  
13 an emergency, adequate sprinklers and adequate fire  
14 alarms. So, most of the time when we find that there  
15 is illegal transient renting occurring we're issuing  
16 a package of four violations.

17 COUNCIL MEMBER POWERS: A package of four  
18 and some are DOB and some fire—are fire related?

19 CHRISTIAN KLOSSNER: Four DOB. There  
20 could also be summonses issued by the Fire  
21 Department.

22 COUNCIL MEMBER POWERS: And what  
23 percentage of violations issued let's say last year—I  
24 know you're still aggregating data, but maybe you can  
25 give us some or from 2016's report were generated

2 through complaint? Some did call 311 and complain to  
3 you or I am sure you take complaints another way.  
4 And now many were generated through your own findings  
5 through online. We have a research team and we got  
6 the staffing up as well. How many were complaint  
7 generated versus generated versus like data and  
8 research?

9 CHRISTIAN KLOSSNER: We would have to get  
10 back to you on that.

11 COUNCIL MEMBER POWERS: Do you have any-  
12 any sense of that?

13 CHRISTIAN KLOSSNER: I-I would say the  
14 vast [bell] majority just because--

15 COUNCIL MEMBER POWERS: Were complaint  
16 driven?

17 CHRISTIAN KLOSSNER: Most are complaint  
18 driven just because that is where most of our  
19 inspections occur. We also when we get 311 complaints  
20 and our, you know, sometimes we don't find anything  
21 right away, we will continue to go when we thing this  
22 is a place where it's occurring. We have evidence.  
23 We found the listings, we see activities, we've had  
24 repeated complaints. We will keep going, and so I

2 think the vast majority, but again it's to specific  
3 numbers. We'd have to get back to you.

4 COUNCIL MEMBER POWERS: And then we'll  
5 just—I know in the respect for time here. So, do you  
6 believe that this from Council Member Rivera's bill  
7 would give you the tools to be able to do a proactive  
8 look at those who are the illegal operators and  
9 you're predominately—you're receiving phone calls  
10 today from somebody who is living in and or around an  
11 operator who believes that they're acting illegally,  
12 and it looks like that's the high. I mean as you've  
13 said, that's the highest amount. Do you believe that  
14 this gives you the tools to do that in a more  
15 proactive way versus being reactive today  
16 predominately since—as to how you guys are operation?

17 CHRISTIAN KLOSSNER: This will  
18 significantly enhance our ability to do proactive  
19 enforcement, and--and I do want to—I do want to just  
20 add those, but the people who call 311 are not just  
21 saying I suspect there is something illegal  
22 happening. They're saying this is how it's affecting  
23 me. I'm being—you know, my baby is being woken up by  
24 loud parties, there's excessive trash, there's  
25 strangers in my hallway. And so, I—I just want to

2 make that fine point that they're not just reporting  
3 something because it's illegal, they're reporting  
4 something that's disrupting their quality of life.

5 COUNCIL MEMBER POWERS: Thank you.

6 CHAIRPERSON CORNEGY: Before I go to  
7 Council Member Cabrera, I don't know if I heard  
8 whether you were able to determine the amount of  
9 complaints if they're, you know—or what percentage  
10 are—what—what percentage are complaint driven in term  
11 of you going and investigate through the 311 system.

12 CHRISTIAN KLOSSNER: I—I did not say a  
13 number. I—I said the—the vast majority of the  
14 violations we issue I think are in response, but that  
15 we would have to get back to him and to you if you're  
16 interested as well on the specific numbers.

17 CHAIRPERSON CORNEGY: So, on another  
18 matter we—we found that the 311 system had been used  
19 for complaints in an abusive manner meaning one  
20 person sat and made these complaints at the behest of  
21 I don't know who. Not these complaints, but are you  
22 prepared to deal with finding a situation where  
23 someone is for whatever reason under—in my district  
24 under gentrification is someone who sees the value in  
25 making these complaints to be able to move a

2 particular person or entity from its home. If we  
3 find in our investigation that there is a consistency  
4 in pattern, are you prepared to deal with that as-as  
5 OSC? Because you don't—you don't know who's making  
6 the complaints.

7 CHRISTIAN KLOSSNER: I would be very  
8 interested to see the result of your investigation  
9 along those lines, and we do—as I mentioned in the  
10 prior answer many of the complaints are articulated  
11 with the specific harm and, you know, we—when we go,  
12 we enforce law what it is, and we are going to  
13 respond to all 311 complaints, but I—I—I hear what  
14 you're saying. I would find that concerning. I  
15 would be very interested in hearing if there's  
16 specific place that you think is being maliciously  
17 targeted. I'd very interested in seeing what you  
18 found.

19 CHAIRPERSON CORNEGY: I know that the  
20 relationship with your office prior to his over a bed  
21 and breakfast revealed some interesting, to say the  
22 least, observations in terms of complaints being made  
23 through the 311 system and the OSE being activated  
24 and going out. You know, part of—part of my bill was  
25 to protect those two and under--against over-

2 enforcement, and I'm concerned that there are groups  
3 or there are people who are operating within the law  
4 and that who we say that we'd like to go after.  
5 Ultimately, that's not what happens when these bills  
6 go into effect, and I'm very concerned about that  
7 because we had this already with--with the enforcement  
8 in and around bed and breakfast.

9 CHRISTIAN KLOSSNER: I hear your  
10 concerns. Again, you know, we are committed to  
11 enforcing against individuals who are disrupting the  
12 fabric of the community and causing alarm from their  
13 neighbors. If you have evidence that in a particular  
14 instance that that alarm is fabricated or malicious  
15 we'd be happy to take that evidence.

16 CHAIRPERSON CORNEGY: So, that language  
17 is very concerning to me. I remember when we were  
18 going over police misconduct there was a phrase used  
19 for stop and frisk that was called furtive movement,  
20 which was this kind of overall catch phrase which  
21 allowed this negative interaction, and I fell like  
22 you're saying what interrupts the quality of life is  
23 one of those statements that very--that concerns me  
24 deeply because it's such a broad based enforceable--  
25 actually unenforceable kind of idea. I-I don't want

2 to see that happen. I don't want the same thing to  
3 happen with bed and breakfasts. I actually had at  
4 least three bed and breakfasts close down through OSC  
5 enforcement, and there's a long history behind it. I  
6 don't want to see that happen to one and two-family  
7 owner occupied and that's what my law is about.

8 CHRISTIAN KLOSSNER: Well, I do—I do want  
9 to make clear that the second unit in a two-family  
10 needs to be occupied by a permanent occupant. So, in  
11 no case is it legal for someone who owns a two-family  
12 home to take the second unit of homing-of housing  
13 even if they live in the first and take it out of the  
14 permanent residential market. That—that building is  
15 two units of housing for families in New York and to  
16 take one out of the rental market is of concern. It  
17 is a significant component of the city's permanent  
18 housing stock, and one that deserves protection. I—we  
19 are also hearing as this activity spreads throughout  
20 the boroughs very significant concerns from people in  
21 low density neighborhoods that are predominantly one  
22 and two families about the disruption to their  
23 comfort and enjoyment in their own homes and their  
24 own neighborhoods, and that we're trying to protect  
25 the cohesiveness of that neighborhood from that kind

2 of harm. And so, I-I just want to be clear that the  
3 second unit in a two-family home is a distinct unit  
4 that just because someone lives in the building who  
5 owns the building does not mean that you can have  
6 whoever you want staying there. It is for permanent  
7 guests only. If there's a permanent occupant, you  
8 can have up to two guests. I-I know that you're-  
9 you're very-you're focused on bed and breakfasts and  
10 we've been in this-in this role before. Addressing  
11 the issue of bed and breakfasts, which are not  
12 currently regulated under city law, requires  
13 participation and input from across the  
14 Administration from several other agencies. I do the  
15 enforcement of the codes, and the several different  
16 entities that would need to participate and it  
17 requires engagement with the stakeholders to address  
18 the issues that you're raising around bed and  
19 breakfasts.

20 CHAIRPERSON CORNEGY: But most of us feel  
21 like there should be a moratorium set on enforcement  
22 while we're trying to get to classification in the  
23 city. It almost seems counterproductive that there  
24 would be the level of enforcement that we've seen  
25 from OSC when there's no classification, and we're



2 attempting between the small bus-between small  
3 business and between, you know, DCA are trying to  
4 come up with a classification and they're almost  
5 sitting ducks literally while-while this is  
6 transpiring. So, that's something that we can have  
7 further conversation about offline, but you know that  
8 that's a deep concern for myself and some other  
9 members of this committee.

10 CHRISTIAN KLOSSNER: Right, I-I hear your  
11 concerns and I-I think I've at least established that  
12 I've been willing to meet with you when necessary on  
13 these issues, and we're happy to continue to so.

14 CHAIRPERSON CORNEGY: So, I'll move onto  
15 the next-my last colleague Council Member Cabrera.

16 COUNCIL MEMBER CABRERA: Thank you so  
17 much, Mr. Chairman. I just have a couple of  
18 questions a point of clarification following Council  
19 Member Powers' question. How many researchers do you  
20 have that engage in doing research and trying to  
21 figure out out of the 60,000 who are not the good  
22 players?

23 CHRISTIAN KLOSSNER: Currently on staff we  
24 have our Special Advisor for Research and Policy  
25 Aditi Sen who is here today, and she leads the

1 Research Team. We have two other full-time  
2 researchers who are working with us. Our intake  
3 staff person is doing the research. Many of the  
4 attorneys and other enforcement officials are doing  
5 research on the side, and then the expansion includes  
6 two more researches, and the role that those  
7 positions play is not just to look. It is in part to  
8 try to figure out okay here is a set of actors in  
9 neighborhoods with severe affordability issues and  
10 neighborhoods with severe density of listing with  
11 housing shortages, you know, where—where can we  
12 focus. It is also to make sure that when we find  
13 that to be in the field that we are looking at every  
14 nook and cranny of it to make sure that we're  
15 connecting to the portfolio of online advertising to  
16 make sure that we are connecting as we did in the Big  
17 Apple Lawsuit against buildings across a particular  
18 ownership portfolio to make sure that as in the  
19 lawsuit that we recently filed that was in the press  
20 today, where we can find it—someone who's using 57  
21 listings and 6 host accounts to take four units in  
22 rent stabilized buildings and turn them into illegal  
23 hostels. That is, you know, the work that is then  
24

2 married between what we find in the field and what  
3 the research team is doing.

4 COUNCIL MEMBER CABRERA: So, you have—  
5 eventually you're going to have five people to  
6 basically oversee 60,000 units. Is that realistic?  
7 Sir, in light of the fact that you just mentioned  
8 they got all roles. They're wearing many hats here.  
9 Is that realistic? And my second quest with this is  
10 do you do—I hate to use this term, but I can't find  
11 another one—do you guys go like undercover? Do you  
12 go in and act as if you're—you're going to go rent  
13 one of the units to verify what's going on?

14 CHRISTIAN KLOSSNER: It's as two very  
15 different questions.

16 COUNCIL MEMBER CABRERA: Yes.

17 CHRISTIAN KLOSSNER: The first question  
18 on research, I should also add that the research  
19 team, you know, isn't just doing detection, right,  
20 they are making sure that we understand the problem  
21 as it is. When I started two years ago, I think  
22 there was a general consensus that this was a Midtown  
23 Manhattan problem. It clearly is not. It is clearly  
24 affecting districts throughout the city in ways that  
25 are diverse as the neighborhoods themselves, and our

2 understanding of those markets and submarkets has  
3 been the investment in research so that we can have  
4 some data analysis on top of just our field  
5 enforcement. As to whether 60,000, I, you know, I  
6 stated earlier about 20 to 30,000 are commercialized  
7 listings that would focus on. We're certainly not  
8 listed in every--interested in every listing if no one  
9 has gotten--if someone hasn't gotten a review in three  
10 years, they're probably not active. We're not going  
11 to spend time trying to figure out who that person  
12 is. If someone is doing it once a week and we see  
13 that their reviews are very low, we're probably not  
14 going to focus on them unless there's other safety or  
15 just community disruption issues. That being said,  
16 it is a challenge. I think that's part of why we  
17 have additional researchers, and it's part of why the  
18 city needs a far more robust dataset from the--the  
19 companies that hold the data.

20 COUNCIL MEMBER CABRERA: And I fully  
21 agree. I'm close with this. I think my colleagues  
22 Bill will help will help you target really where your  
23 efforts should take place. Rather than to be  
24 scattered all over the place, you're going to be able  
25 to target, and then the good players will not, you

2 know, have to spend all this time with the  
3 preoccupation and have the anxiety of having to deal  
4 with—you know, with potentialities, but so, I—I  
5 commend my colleague for her bill that I think is  
6 going to give you tools to be more precise in who we  
7 need to go after. Thank you, Mr. Chair.

8 CHAIRPERSON CORNEGY: Thank you. Council  
9 Member Williams.

10 COUNCIL MEMBER WILLIAMS: Thank you so  
11 much. Thank you, Mr. Chair. Thank you OSE for all  
12 the testimony. When I chaired this topic last—last  
13 term, Airbnb I have to say was probably the top three  
14 most disingenuous people that have ever come before  
15 this body. They probably were the most disrespectful  
16 I've ever seen. So, I'm happy to see the Chair here,  
17 and I thank you for your bills, and I'm glad I'm on  
18 this body when I hope they get some of their  
19 comeuppance. My hope is that they have more  
20 contriteness when they come before us again to have  
21 discussions about our housing. I am concerned,  
22 however. I do think some of the issues they bring up  
23 are real. I think they also are disingenuous when  
24 they bring them because they're using black and brown  
25 homeowners to mask the very bad actors on their site.

2 However, there is a problem I see with some of the  
3 bed and breakfasts in my district as well, and I'm  
4 concerned because when we had this top discussed  
5 before, we specifically said we were not targeting  
6 one and two-family homeowners, and even three-family  
7 homeowners. That seems to have been a lie, and I'm  
8 known to be a lot of things, called a lot of things,  
9 a liar generally isn't one of the. So, I'm concerned  
10 because you said something before that was never  
11 said. You said very explicitly if you live in the  
12 one or two-family home—one and two-family home, and  
13 you are using the second apartment as Airbnb or home  
14 sharing, that is illegal. That was not said last  
15 year, so why the clarity now when it was never said  
16 before when we very specifically said we do not want  
17 those folks targeted?

18 CHAIRPERSON CORNEGY: I just want to say,  
19 I agree with the Council Member. That's literally  
20 the first time I heard that. Literally, in that—  
21 being that explicit. So, I agree 100%.

22 CHRISTIAN KLOSSNER: The—so I think that  
23 part of the confusion around this stems that in 2010  
24 the Multiple Dwellings Law was amended and that drew  
25 a lot of attention on the issues to multiple

2 dwellings and there were a number of statements at  
3 the time made that the Multiple Dwellings Law does  
4 not apply to one and two-family homes. That's true  
5 by definition, but for decades the City Building Code  
6 and the Housing Maintenance Code well before the 2010  
7 amendments have required that a unit of permanent  
8 residential housing is for occupancy of 30 days or  
9 more by permanent residence, and those permanent  
10 residents under the definition of a family can have  
11 up to two roomers and boarders. That is the same for  
12 one-family, a two-family and a multiple dwelling. It  
13 has been in the law for decades. The reason that I  
14 took great pains to highlight it today is because I  
15 think that the--there are disservices done to the  
16 public by focusing on solely on multiple dwellings  
17 and I think also this issue has grown and is now  
18 getting--is generating--

19 COUNCIL MEMBER WILLIAMS: [interposing]  
20 I'm sorry.

21 CHRISTIAN KLOSSNER: --is generating a  
22 larger number of impacts in one and two-family homes.

23 COUNCIL MEMBER WILLIAMS: I'm--I'm running  
24 out of time. So, I just want to know did you have  
25 the information when we had this hearing before?

2 Because this information was not provided when we  
3 very explicitly said [bell] from this body we are not  
4 focused on one and two families. We also said that  
5 it was legal for them to use it, and we want them to  
6 continue to use it. No one from OSE or the  
7 Administration refuted that. At best, they did  
8 discuss some ambiguity, but now you are saying that  
9 explicitly it is illegal and you knew that before.  
10 So, was that information known before when we had  
11 hearing on this topic?

12 CHRISTIAN KLOSSNER: The--the last time I  
13 was before this body was on the Borders Expansion  
14 Bill, and I was very clear that it is illegal in one  
15 and two-family homes unless the occupant--

16 COUNCIL MEMBER WILLIAMS: [interposing]  
17 When was that?

18 CHRISTIAN KLOSSNER: --was home at the  
19 time.

20 COUNCIL MEMBER WILLIAMS: I'm--I'm sorry,  
21 I don't remember when.

22 CHRISTIAN KLOSSNER: It was toward the  
23 end at--

24

25



2 COUNCIL MEMBER WILLIAMS: [interposing]

3 This is last term when we had a hearing specifically  
4 on this—on this issue?

5 CHRISTIAN KLOSSNER: About a year ago for  
6 the boarders bill.

7 COUNCIL MEMBER WILLIAMS: For whose bill?

8 CHRISTIAN KLOSSNER: The—the—the one that  
9 changed the number of boarders from two to five.

10 (sic)

11 COUNCIL MEMBER WILLIAMS: [interposing]

12 On the boarders bill. Okay. That wasn't—I know if  
13 that specially was the bill. (sic)

14 CHRISTIAN KLOSSNER: [interposing] And I,  
15 and I, you know, I tried to be very clear that it is  
16 illegal in one or two-family homes. I would have to  
17 revisit my testimony. I thought I was very clear  
18 that every unit of housing it's required to have a  
19 permanent occupant to also have renters under—under  
20 30 days.

21 COUNCIL MEMBER WILLIAMS: I understand  
22 the logic of that, and that's a discussion to have.  
23 Right now, folks are not changing the architecture in  
24 their—in their homes. I think we—there should be—I  
25 personally think there should be a moratorium on

1 while we figure this out because there's a lot of  
2 confusion that is happening and it is affecting some  
3 of the homeowners that Airbnb is using just to  
4 protect their bottom line with bad actors, and my  
5 hope is some of those homeowners would join us to  
6 force Airbnb to give us information, and when they  
7 give us that information what that would do is  
8 relieve some of the pressure we're putting on them to  
9 get off their bad actors. When some of that pressure  
10 is relieved, some of that pressure will be relieved  
11 from you as well. The focus is the bad actors. I'm  
12 going to do what I can do to get my bill on the  
13 Inspector General of the ASE to see if we can get we  
14 can deal with some of this—some of this as well. I  
15 also had a bill, and my hope is that the Chair will  
16 have a hearing on that to try to fix some of the  
17 problems with the one and two-families. There is a  
18 discussion that needs to happen about the housing  
19 there, but I don't like to be part of anything that  
20 is misinformation. I feel like we have misinformed  
21 these one and two-family homeowners and we owe them  
22 some reprieve. Thank you, Mr. Chair. Thank you for  
23 your testimony OSE.  
24

2 CHAIRPERSON CORNEGY: So to follow up on  
3 my colleague's question, why can't we have a  
4 moratorium set to—until we can figure this out. So,  
5 you—you—you've asked—I feel disingenuous because  
6 you've asked this body to sign off on a budget that  
7 increases the ability for enforcement in OSE when  
8 it's clear through—this is my second hearing with  
9 this topic. It's clear that there is ambiguity and  
10 it's clear that there are issues that still exist.  
11 If this was small business you would give people a  
12 right to remedy, right and I'm asking for that right  
13 to remedy to be through a moratorium on enforcement  
14 for a prescribed amount of time. I'm willing to  
15 amend my bill to include that or to have a new bill  
16 that says that there will be a moratorium set. These  
17 are not, you know, I'd hate to think that this  
18 enforcement is revenue generating, and a moratorium  
19 would be in—in good conscience based on the idea that  
20 we want to get bad actors, and these small one and  
21 two-families are not—clearly not bad actors.

22 COUNCIL MEMBER WILLIAMS: Mr. Chair, I  
23 just want to say my moratorium is on the one and two-  
24 family homeowners. Okay, I just wanted to make sure  
25 of that.

2 CHAIRPERSON CORNEGY: I said I  
3 piggybacked of your statement.

4 COUNCIL MEMBER WILLIAMS: [off mic] I was  
5 still out there.

6 CHAIRPERSON CORNEGY: Oh.

7 CHRISTIAN KLOSSNER: So, I think there  
8 are a few conflated things. I think you've  
9 identified issues with businesses and that impact is  
10 then—that requires a broader conversation allowing  
11 the constituent agencies to support OSE as well as  
12 several other agencies like Planning and the  
13 Administration has always been willing to have that  
14 conversation. I—I want to make—so—so I have—I have  
15 tried to be very clear in all of my testimonies that  
16 a unit of housing is a unit of housing and requires a  
17 permanent occupant. That is what it is for. It is  
18 not to be used to have transient rentals in a place  
19 that is designated for permanent housing in a city  
20 that has an acute shortage of crisis. One and two-  
21 family homes are key part of the city's residential  
22 housing stock. It is not as simple to say that we  
23 can have a moratorium. We see two-family homes being  
24 purchased by people who don't live in the

2 neighborhood and turned into 12 listings with 30  
3 beds.

4 CHAIRPERSON CORNEGY: [interposing] My-  
5 my-my bills for it to be owner-occupied. So, that's-  
6 that's a definite different distinction from someone  
7 purchasing a two-family. My bill is very clear and  
8 explicit on owner-occupant-occupancy being the  
9 criteria by which this bill would take effect. I'm  
10 asking for that same criteria for a moratorium. So  
11 that's owner occupied not-not where someone is not  
12 present.

13 CHRISTIAN KLOSSNER: So, again I think  
14 that it's a broader conversation that we would have  
15 to have outside of this hearing.

16 CHAIRPERSON CORNEGY: Thank you.  
17 [background comments, pause] So, I want to thank you  
18 for your testimony. Sometimes these things can get  
19 hairy and grueling. This was an effort, though, to  
20 have a fair and impartial hearing, but certainly we  
21 have a responsibility to while we're trying to  
22 protect the shrinking affordable housing market to  
23 also not do what my grandmother says, which is throw  
24 the baby out with the bath water, and there are small  
25 homeowners who are being able to benefit from a

2 platform based rental system, and to destroy of that.

3 So, I look forward to having further conversation  
4 with the Administration on how we get to protecting  
5 those small one and two-families in a way that's in  
6 the context and the confines of the law.

7 CHRISTIAN KLOSSNER: Thank you, and we--

8 CHAIRPERSON CORNEGY: Thank you.

9 CHRISTIAN KLOSSNER: --always welcome the  
10 opportunity to appear, answer questions and, you  
11 know, you said it was hairy. I appreciate the  
12 interest and scrutiny.

13 CHAIRPERSON CORNEGY: Thank you. So,  
14 we're going to call our first panel after the  
15 Administration, which include Dr. Johnny Green--  
16 Reverend Dr. Johnny Green, Julie Samuels, Arun  
17 Sander-Sanderajam (sp?)and Adrienne Smith.  
18 [background comments, pause] We're going to add to  
19 this panel Rachelle Burnette and Heather Sky McField.  
20 Can you please join us? So, there is no affirmation  
21 or swearing of-of you as witnesses, but we do ask  
22 that you state your name clearly and concisely for  
23 the record.

24 HEATHER SKY MCFIELD: Thank you. My name  
25 is Heather Sky McField and I'm just-I'm here to give

2 my testimony today. So, I just want to make it clear  
3 that I'm not being paid to be here. I'm not giving—  
4 I'm being given overtime to be here. I'm not a  
5 lobbyist. I'm actually a founding member of the Home  
6 Sharing Association of America, which is a non-profit  
7 formed by hosts like myself who have joined together  
8 to fight for the rights of homeowners and tenants who  
9 believe in our rights to share our home. I would  
10 like to note for the union workers that we are not  
11 your enemy. We have not impacted your job as hotels  
12 continue to make billions, and they're not sharing  
13 any of that with you. Please don't allow the  
14 billionaire elites to have the poor and the middle-  
15 class fighting amongst each other. They are a true  
16 enemy. I'm a homeowner in East New York, Brooklyn.  
17 I worked two jobs and often seven days a week to  
18 purchase my home. I share my home in New York City  
19 to survive. Airbnb helped me to save my home from  
20 foreclosure while going through two tragic  
21 situations. One instance came from my mom when she  
22 was diagnosed with Stage 4 Cancer at the age of 57.  
23 The other fighting professional, and what I like to  
24 call criminal tenants who manipulate the current laws  
25 to live for free in New York City whether they are

2 having financial difficulty or not. When I was going  
3 through these crises, I went to my representatives  
4 including Council Member Espinal, and if he was—if he  
5 was able to recall, he will—he can testify that I'm  
6 not a lobbyist because I was at his door very often,  
7 and I was told that all the programs that were out  
8 there could only help me if I were already in  
9 foreclosure. Essentially after I ruined my credit,  
10 and sunk myself into a hole that would devastate  
11 someone that was middle-class like me. Airbnb allowed  
12 me to take control of my own destiny when the current  
13 laws and the court system of New York City were  
14 failing me. I have a two-family home that I live in,  
15 and I just want to say if you're truly going after  
16 the bad actors, and not intending to have OCE harass  
17 small homeowners [bell] jurisdictions and people like  
18 me, then please send them to the doors of buildings  
19 and not two-family and three-family homes. We don't  
20 want them at our doors. We don't want them to have  
21 our information. We don't trust them. They've been  
22 violent towards us. They've been harassing us, and I  
23 think that thee should be something written in where  
24 we are not a part of their jurisdiction. We already  
25 have HPD for that. Thank you for your time.



2 CHAIRPERSON CORNEGY: Hello, Dr. Green.

3 DR. GREEN: Good afternoon to all. I'm

4 Dr. Johnny Green, Senior Pastor of Mount Neboh

5 Baptist Church in the Village of Harlem, Vice

6 President of the Empire Baptist Missionary State

7 Convention, President and CEO of Impact and also

8 [coughs] founder of Manna for Your Morning

9 Ministries, a social media ministry, which reaches

10 daily upwards to 7,000 followers here in New York

11 City, the Empire State and around the nation. Today,

12 I have come to address before the City Council

13 members in this committee my very serious concerns

14 over Bill 981. It is my personal and considered

15 opinion that if this bill is passed by the Council,

16 it would do irreparable harm to many New York City

17 homeowners who struggle daily with the escalating

18 costs of living in the greatest city in the world. I

19 do not come today as an enemy of the Council, many of

20 whom are my personal friends to threaten this great

21 body of elected officials, but I do come to strongly

22 admonish you to exercise balance and mercy as you

23 consider passing a piece of legislation that's going

24 to impact the financial welfare of many New York City

25 homeowners who use their homes as a source to

2 generate revenue for survival. The powerful hotel  
3 industry and its unions here in New York which pours  
4 hundreds of thousands of dollars into campaign  
5 contributions of elected officials should not be the  
6 driving force behind your decisions on this bill. As  
7 I come before you today, please consider the big  
8 picture of how this will affect the bottom line of  
9 everyday New Yorkers who are simply trying  
10 proverbially speaking to keep their head above water  
11 through home sharing. As you move forward in your  
12 decision making on this bill, please do not—please do  
13 so with compassion and concern for the least of  
14 these. The hotel industry and Airbnb as corporate  
15 entities will be fined going forward, but the  
16 citizens of this city and those who [bell] elected  
17 you to look after their interests and wellbeing will  
18 be devastated by your actions if this bill is not a  
19 bill of equal justice for all. Last, while I no wise  
20 advocate breaking the laws of the city by advertising  
21 illegal rental units, I personally find it  
22 reprehensible and dishonest for elected officials  
23 both state and local to come before this body to talk  
24 about how home sharing is taking away affordable  
25 housing in this city without addressing how

2 billionaire developers have come in and literally  
3 obliterated affordable housing in Brooklyn and Harlem  
4 and other gentrified communities with little to now  
5 resistance whatsoever from elected officials. For me  
6 and many of my colleagues, and the ministry that I  
7 represent as President of Impact, this is the highest  
8 level of political hypocrisy and this is what's  
9 missing from the story that has been presented today.

10 CHAIRPERSON CORNEGY: Thank you.

11 ROCHELLE BURNETT: [off mic] Good  
12 afternoon. My name is—oh. [bell] [on mic] Good  
13 afternoon, my name is Rochelle Burnett and I'm a  
14 member of the Home Share Association of Brooklyn—of  
15 America and I'm also the Vice President of my block  
16 association in Bedford-Stuyvesant. I also host in  
17 Brooklyn and Bedford-Stuyvesant. The brownstone I  
18 live in, my family has lived in there since 1953.  
19 Our home has always been filled with family and  
20 extended family. My mother's family moved out in the  
21 '70s and my mother purchased our home and continued  
22 the tradition of opening our home to family and  
23 extended family. My mother moved my terminally ill  
24 grandmother in our home in 1980, and cared for her  
25 until her death. My mother moved my aunt in from

1 1981 to 1982 and cared for my aunt until her death,  
2 and took care of her four children after her death.  
3 We have had a revolving door of family and extended  
4 family that have lived with us my entire life. We  
5 have been home sharing in the black community before  
6 it was called home sharing. It just what we did. My  
7 father moved in my home with my children and I in  
8 2014 after his wife died. He had severe medical  
9 issues. He died on August 3, 2017. My husband  
10 stayed home with my father for the last year of his  
11 life as he became sicker. We were able to do that  
12 because of Airbnb. The city is trying to take away  
13 our rights to do what we've always done in our homes.  
14 Let's call the city out for what they're doing, and  
15 it's called bullying. Hard working New Yorkers, let's  
16 work on laws that will protect hard working Airbnb  
17 hosts in the out and not penalize them for using  
18 their home as a resource in this very financial  
19 trying times. We need our politicians to understand  
20 the needs of their constituents. Airbnb has not been  
21 the problem, but what has been the solution for many  
22 of us.

24 JULIE SAMUELS: Hi. I'm Julie Samuels  
25 from Tech NYC. Tech NYC is a non-profit trade group

2 with the mission of supporting the technology  
3 industry in New York to increase engagement between  
4 our more than 600 members, New York Government and  
5 the community at large. We exist because New York's  
6 unique business ecosystem is a global center for so  
7 many industries including finance, media, fashion,  
8 art and real estate, which serves to strengthen  
9 technology businesses that call New York home and in  
10 turn, technology further strengthens those incumbent  
11 industries in our communities. New Yorkers and  
12 tourists alike want access to home sharing. For many  
13 responsible New Yorkers it provides a meaningful way  
14 to supplement their income and for tourists it opens  
15 up neighborhoods that were previously inaccessible  
16 and creates more affordable options. Small shops and  
17 restaurants in those neighborhoods reap benefits in  
18 turn. In 2016, for instance, guests from Airbnb  
19 alone spent a total of \$1.8 billion in New York City  
20 and one of every \$3 spent went to the local  
21 neighborhood where the guest stayed. With 89% of  
22 Airbnb listings located outside Manhattan's hotel  
23 district or Midtown, this money is flowing to  
24 neighborhoods that otherwise would not have seen the  
25 benefit. Unfortunately, the proposal currently

2 before you for regulating short-term rentals would  
3 undermine the economic engine of home sharing across  
4 the five boroughs and send a signal that New York is  
5 hostile toward new business models and the tech  
6 sector. It does this by moving us further from a  
7 common sense compromise that would benefit all New  
8 Yorkers without protecting affordable housing in the  
9 short-term. The message we send to the next  
10 generation of Tech entrepreneurs is important because  
11 New York tech companies create opportunity that  
12 ripples through our economy. The tech economy is  
13 already responsible for more than 326,000 jobs in New  
14 York City. That number stands poised to grow, but  
15 that growth is not a given. According to the Center  
16 for an Urban Future, New York City is one of the  
17 leading tech hubs for the emerging travel tech  
18 industry. More than two dozen venture-back tech-  
19 travel tech startups are based in the city, 16 of  
20 which were founded in the last five years. We want  
21 those companies to hire New Yorkers to build their  
22 products here, but it is those startups who will hear  
23 most clearly the message that companies like theirs  
24 are not welcome here if they don't see a path to work  
25 with local government. Growing tech companies

2 whether in travel or other spheres need to know that  
3 New York City is ready to work with them. That  
4 doesn't mean that government should write a blank  
5 check to Airbnb or other home sharing platforms, but  
6 it does mean we need to have a more reasoned  
7 conversation about how to support responsible home  
8 sharing that New Yorkers want access to and how to  
9 take advantage of the millions of dollars of tax  
10 revenue currently left sitting on the table. I  
11 realize I'm out of time. So, I just quickly want to  
12 say the rest is in my written submission, but we know  
13 that the answer to this problem needs to be addressed  
14 in Albany, and that we are working hard, and we know  
15 Airbnb has publicly supported legislation in Albany  
16 that will do to reach a reasonable compromise and we  
17 hope that we can all work together to find that  
18 reasonable compromise. We need common sense laws  
19 that provide necessary protections for affordable  
20 housing while also encouraging the economic growth  
21 that comes with this new technology. Thank you.

22 CHAIRPERSON CORNEGY: Thank you. Council  
23 Member Williams.

24 COUNCIL MEMBER WILLIAMS: [coughs] Thank  
25 you very much. Thank you, Dr. Green in particular.

2 Thank you for all those that came to give personal  
3 testimonies. I sympathize. I had a tenant that  
4 owned \$30,000 to me, and so I understand the problems  
5 that we're dealing with hotel-HTC-I'm an muni  
6 supporter, but it is clear their concern are jobs and  
7 jobs in the industry. So I don't want to dismiss  
8 that. Developers have ravaged our communities. I  
9 don't believe that Airbnb is the sole cause. I have  
10 admonished this body and this Administration for not  
11 doing enough, and because I am part of this body,  
12 thusly, I didn't do enough. So, we have to continue  
13 that conversation. I also know and have worked with  
14 Airbnb and so I-I appreciate the conversation you-you  
15 said, but they were very disingenuous. That may have  
16 changed now simply because of the pressure we've put  
17 on them. It is clear to me that they don't care  
18 about these homeowners. They don't care about our  
19 housing laws. They've said so specifically they care  
20 about money and dollar bills. That's all and I don't  
21 believe saying that someone can make money means we  
22 should end the conversation here. We have to figure  
23 out what the impact is and I hope work with Dr. Green  
24 and the homeowners who are affected because I believe  
25 they are being affected, and I'm hoping we can



2 together push for that moratorium so we can have the  
3 conversation, but I know if they were not part of the  
4 conversation Airbnb will find some other people to  
5 use to try to protect that bottom line. So, all of  
6 those things are real, and all of those things should  
7 be considered, but we are losing our housing stock to  
8 bad actors. I'm again asking—I'm sorry, ma'am, I  
9 don't remember your name again with Tech NYC, if they  
10 would give us the information we asked for years ago  
11 and like they've done at other places, we not be  
12 here, and we may not even have to put pressure on OSE  
13 that is pushing pressure on these homeowners. Airbnb  
14 is the catalyst for all of this crap that's going on  
15 right now, and my hope is that they are coming and  
16 earnestly having discussions we've been asking for  
17 years. Thank you so much for your testimony.

18 CHAIRPERSON CORNEGY: Thank you. I want  
19 to thank you all for your testimony. Oh, Council  
20 Member Rivera.

21 COUNCIL MEMBER RIVERA: Thank you so  
22 much. I want to thank you all for what you said  
23 today, and my invitation still stands that I would be  
24 very willing to meeting with the Home Association—the  
25 Home Sharing Association of America, and I did check

2 out your Facebook page, too, and thank you for what  
3 you said about the developers. Absolutely this is  
4 what we're chipping away here. This is an iceberg  
5 called displacement gentrification, steamrolled  
6 development and I'm with 100% and so I know the two  
7 of you at the very least are hosts and you operate  
8 legally, and I think from what I got from your  
9 testimony, that OSE is probably your biggest issue  
10 with this bill. And so, that's why I wanted to ask  
11 some questions of OSE on how they go about proactive  
12 verse reactive inspections, and I promise you I will  
13 not stop getting to the heart of how they operate. My  
14 question is for Tech NYC and so I just have a—they're  
15 very quick questions. One is you represent 600  
16 members. One of them is Air and B, Airbnb, correct?

17 JULIE SAMUELS: That's correct, 630.

18 COUNCIL MEMBER RIVERA: And you said you  
19 are a-630 I agree and you said you're a non-profit.  
20 Is Airbnb a donor to you organization.

21 JULIE SAMUELS: Airbnb isn't a member.  
22 We're a non-profit member based organization.

23 COUNCIL MEMBER RIVERA: So, you get—where  
24 most of your funding comes from.

2 JULIE SAMUELS: So, this is, and this is  
3 all public on our website, too.

4 COUNCIL MEMBER RIVERA: Absolutely, and  
5 you all have public testimony, too.

6 JULIE SAMUELS: Yes, and I'm happy to  
7 have it there. Our funding—our members all pay a  
8 different amount depending on how many employees they  
9 have based in New York City. So, we have really large  
10 companies that pay more. You know, Airbnb is  
11 actually not one of the larger companies based on  
12 employee numbers in New Yorkers which is how we  
13 determine, and then something like 530 of our members  
14 are small startups under 20, and they actually join  
15 for free.

16 COUNCIL MEMBER RIVERA: So, they are a  
17 contributing member--

18 JULIE SAMUELS: Yes.

19 COUNCIL MEMBER RIVERA: --but they're  
20 based on a certain level because of how many  
21 employees they have in New York city.

22 JULIE SAMUELS: Yeah. That's right.

23 COUNCIL MEMBER RIVERA: Because they are a  
24 \$31 billion global company.

2 JULIE SAMUELS: That's right. Our  
3 membership models are based on numbers, seven  
4 employees and that is true across all members.  
5 There's no special.

6 COUNCIL MEMBER RIVERA: And I met with you  
7 recently, and I want to thank you for just bringing,  
8 you now, forward this. You want to incentivize  
9 people to start their business here. I agree with  
10 that. You are represented by the same lobbyists as  
11 Airbnb, which is both in Saint Johns, correct?

12 JULIE SAMUELS: That's correct.

13 COUNCIL MEMBER RIVERA: Okay, thank you.  
14 So, I want to thank you for this. I hope we can  
15 continue to work together on-on tech and brining tech  
16 into NYC responsibly and I want to thank you all for  
17 coming here to testify and I hope to speak to you  
18 again soon.

19 CHAIRPERSON CORNEGY: So, before you go,  
20 I just want to publicly state that I still believe  
21 that as a city we have a responsibility and can walk  
22 and chew gum at the same time, and what I mean by  
23 that is that we can protect the affordable housing  
24 market and go after bad actors while not-while  
25 simultaneously not taking away the rights of

2 homeowners in small units to exercise their ability  
3 to earn and—and to contribute. So, my bill, which I  
4 want you all to follow very closely, is an attempt at  
5 doing that, right. So, there at—there are people who  
6 believe that, you know, these are not mutually  
7 exclusive issues. Because we say that we want to  
8 protect affordable housing doesn't mean we have to  
9 not simultaneously look after small homeowners and  
10 make sure that their—their ability to earn in the  
11 context of the law is protected. So, I think we can  
12 do both, and my bill seeks to do that. So, thank you  
13 for your testimony. [pause] I'm calling the next  
14 panel. Seth Hernandez. I'm sorry MBPO Brewer, Adelle  
15 Bartlett, Lucy Block, Jeffrey Marty. [background  
16 comments, pause] I'm sorry New York Civil Liberties  
17 Union and that's either Seth or Beth, and I  
18 apologize. [background comments, pause] I'm sorry.  
19 Can you please identify yourself before your  
20 testimony. [pause]

21 ADELLE BARTLETT: I'm here on behalf of  
22 Gale Brewer the Manhattan Borough President. My name  
23 is Adelle Bartlett. Do you want us all to--? Okay,  
24 hi. Thank you Chair Cornegy for the opportunity to  
25 testify today. We support both these bills, and

1 believe both 981 and 554, we believe that they're  
2 essential in the effort of the city to protect the  
3 health and safety of tenants and to protect our  
4 dwindling supply of affordable housing. As a member  
5 of this Council from 2002 to 2013, I fought to stop  
6 owners of residential Class A hotels from using them  
7 as transient hotels holding off the market what would  
8 otherwise be permanent affordable housing in order to  
9 profit from the very lucrative tourist trade. In  
10 doing so, they inflicted inconvenience and serious  
11 harassment on the t permanent residential hotel  
12 tenants. Those battles resulted in legislation  
13 clarifying state law, but the struggle to obtain real  
14 enforcement continued. As bad as the illegal  
15 transient use—transient use of residential hotels  
16 was, at that time we could not have anticipated the  
17 threat to our housing, and the safety of tenants that  
18 we've been—we yet come to see now from the home  
19 sharing industry. Over the last few years, there's  
20 been significant debate and research regarding the  
21 impact of Airbnb and other apartment sharing  
22 businesses on the supply of affordable housing. It  
23 is now well established by the data that an  
24 unregulated and unmonitored home sharing industry  
25

hurts affordable housing and tenants in New York.

The recent McGill University Study estimates that between 7,000 and 13,000 apartments have likely been removed from the market due to transient rental.

While we don't exactly know how many of those units are regulated and/or affordable, even a small portion would represent housing that we simply cannot afford to lose. That study also revealed that a substantial number of what we previously viewed as legal home sharing that is a single room of an otherwise tenant occupied apartment rather than the entire unit may, in fact, be used a "ghost hotel" where all of the bedrooms of one apartment are rented out individually. The ongoing major losses of affordable housing—apartments ever year through the loopholes in the Rent Stabilization Law itself by the way New York City lost nearly 4,000 stabilized units to vacancy deregulation in 2017 alone. That means that we cannot afford to allow legal or illegal transient hotel operators to make—to take affordable units off the rental marketplace. My staff and I are also deeply concerned at the number of tenants who believing they can earn extra income by renting out a room under a home sharing scheme perhaps to afford their rising

2 rent only to come to face eviction from their  
3 apartment. The last thing the city needs is another  
4 method by which tenants can be evicted and under the  
5 current laws, a vacancy through eviction translates  
6 into the permanent loss of an affordable housing  
7 unit. Though I applaud the Mayor's efforts to create  
8 new affordable housing, it is essential that we use  
9 every means possible and create new methods to  
10 preserve existing stabilized units. I believe that  
11 Intro 890-981 and the increased penalties contained  
12 in in 554 will be effective if the enforcement is  
13 adequate. I also—My time is up. I just wanted to  
14 mention that over the years there's been substantial  
15 controversy regarding the interplay of proposed laws  
16 regulating apartment sharing services and the Federal  
17 Codes protecting Internet platforms. This  
18 legislation, however, provides that sharing of a  
19 renter's information by the service is with the  
20 permission of the person posting the rental. It's  
21 very important, and I understand that the largest of  
22 these services, Airbnb, has already agreed to similar  
23 systems of information sharing in other cities. I  
24 believe that the Council has here crafted this  
25 legislation carefully, and that it will, in fact,



2 withstand judicial scrutiny, and it should be enacted  
3 without delay. Thank you.

4                   JEFFREY MARTE: Good afternoon. My name  
5 is Jeffrey Marte. Thank you Chair Cornegy and  
6 members for allowing me to present my—my testimony  
7 today. I was born in the Dominican Republic and  
8 moved to Washington Heights when I was eight years  
9 old. I grew up in this city, and have since called  
10 it home. However, I the past year I moved to  
11 Bushwick, New York and I feel that every year the  
12 city has become more expensive and less affordable.  
13 It does bring and extra hurdle to overcoming my  
14 pursuit of the American dream. I was surprised when  
15 I first heard about landlords renting out units as  
16 hotels through Airbnb when I know that people like me  
17 are struggling to stay in the neighborhood. I was  
18 even more surprised when I saw it happening in my  
19 last apartment building. I've heard stories from  
20 members of my community about them being harassed by  
21 landlords who are eager to use available units as  
22 legal hotels instead of housing for actual New  
23 Yorkers. For regular people who live in the  
24 community that makes for very unpleasant living  
25 arrangements. Moreover, it's not safe to have

2 strangers coming in and out of our buildings at all  
3 hours of the night. I sincerely worry about who has  
4 access to the keys to my building. Also, I am  
5 conscious and concerned about what is going on. I  
6 see that this issue is not unique to my community.  
7 It's happening all over. Landlords are only-only  
8 thinking about the money they can make by bending the  
9 law and turning rental housing into hotels. I have  
10 friends and co-worker who live other boroughs who are  
11 experiencing the same issue. I am here today before  
12 the New York City Council because I want to protect  
13 my home and the homes of my neighbors. I want to  
14 protect the neighborhood and the neighborhoods of my  
15 friends and family. Airbnb a \$31 billion company has  
16 operated under the cover of darkness in our city for  
17 far too long. We cannot allow one more day to go by  
18 where Airbnb rakes in millions off the backs of New  
19 Yorkers and renters while simultaneously exacerbating  
20 the current affordability crisis. Therefore, I  
21 support Intro 981, which will require companies like  
22 Airbnb to turn over their host status so that the  
23 city can hold accountable the landlords and  
24 commercial companies that make millions from illegal  
25 rentals. I want to see an answer to these illegal

2 hotels that are popping up all over our neighborhoods  
3 and our buildings. Our buildings are the homes of  
4 New York people not hotels. So, I encourage you to  
5 pass this legislation. Thank you.

6 LUCY BLOCK: [coughs] Sorry. Good  
7 afternoon. Thank you to Chair Cornegy and to the  
8 other members of the Committee on Housing and  
9 Buildings. My name is Lucy Block. I work at the  
10 Association for Neighborhood and Housing Development,  
11 ANHD. ANHD builds community power to ensure the  
12 right to housing and thriving equitable neighborhoods  
13 for all New Yorkers. As a coalition of community  
14 groups across New York City, we use organizing,  
15 advocacy, policy research and capacity building to  
16 support our members in their work to build equity and  
17 justice in their neighborhoods and citywide. ANHD  
18 supports the passage of Intro 981 to require online  
19 rental platforms such as Airbnb to provide data on  
20 listings to the NYC Office of Special Enforcement so  
21 that it may enforce state laws against illegal short-  
22 term hotels. This is important because New York City  
23 is still in the midst of an affordable housing crisis  
24 as we all know, where tenants are being displaced so  
25 that more profit can be made off of their home. In

1 some cases this means someone's former apartment is  
2 being used as a short-term hotel, and not housing  
3 anyone permanently at all. In the year leading up to  
4 August 2017, 12,200 whole homes were available for  
5 rent on Airbnb for at least four months of that year.  
6 These are units that are being removed from New York  
7 City's scarce housing stock. This is part of an  
8 alarming trend of increasing vacancy in the city.  
9 The most recent 2017 Housing and Vacancy Survey found  
10 that since 2014, the number of units held for  
11 occasional or seasonal use or what was called other  
12 reasons they were held vacant increased by 58%  
13 Approximately 1,200 ghost hotels are listed on  
14 Airbnb. These are apartments that are deceptively  
15 listed separately as private rooms yet make up an  
16 entire home. Listing all the rooms of one apartment  
17 separately lets hosts avoid regulatory scrutiny.  
18 Intro 981 would ameliorate part of this problem by  
19 requiring short-term rental platforms to disclose  
20 exact apartment and unit numbers. It's important for  
21 New York City hold Airbnb accountable to the  
22 transparency the same way other cities have done.  
23 Airbnb has already agreed to share address data in  
24 San Francisco, Chicago and New Orleans. ANHD is in  
25

2 favor of Intro 981 as an important step towards  
3 increasing the transparency of Airbnb operations in  
4 New York City and enabling OSE to enforce laws  
5 against short-term hotels that deplete our available  
6 housing—affordable housing stock. Thanks. [bell]

7           BETH HAROULES: Hi. My name is Beth  
8 Haroules. I'm a Senior Staff Attorney at the New  
9 York Civil Liberties Union. We're the New York State  
10 affiliate of the American Civil Liberties Union.  
11 Part of the work that we do is to represent the  
12 interests of users of the Internet, and their privacy  
13 rights. We've identified three potential areas of  
14 concern that arise from Intro 981. It mandates the  
15 reporting of personal information that New Yorkers in  
16 quasi law enforcement databases without any apparent  
17 privacy protections. We believe the Council would  
18 better serve the needs of New Yorkers by collecting  
19 data relating to STR utilization to guard against  
20 tenant hardships and displacements, and threats to  
21 affordable housing in New York City on an anonymized  
22 basis. It would also appear that 981 violates 230 of  
23 the Communications Decency Act, and I'll get to those  
24 areas in a very brief discussion. 981 mandates that  
25 Airbnb, VRBO and other STR booking services, and mind

2 you the way booking services is defined encompasses  
3 all of the newspapers that maintain an online rental  
4 presence such as the Times El Diario, Amsterdam News,  
5 Staten Island Advance. You name the newspaper, they  
6 are listing short-term rentals and taking a fee. So,  
7 you have swept into the definition of a fair number  
8 of other platforms that are not just the bad apples  
9 as you characterize them. This information about the  
10 host who used these services are going to be uploaded  
11 on a monthly basis to the New York City Office of  
12 Special Enforcement. OSE has been reported to  
13 utilize sophisticated data crunching software from  
14 Palantir Technologies in connection with its  
15 enforcement efforts against Airbnb. Palantir's other  
16 known past clients include the CIA, ICE, DHS, the  
17 FBI, major banks and the New York City Police  
18 Department. There has also been recent reporting  
19 that Palantir who is operated by Peter Fields is  
20 powering the Trump Administration's ICE and DHS  
21 enforcement [bell] actions including the Zero  
22 Tolerance Policies that we're seeing carried out  
23 across the country. We are very concerned that 981  
24 mandates the collection uploading of all of the host  
25 data to OSE without any consideration afforded to the

2 potential for privacy violation. These could  
3 generate severe collateral consequences. You're  
4 talking about selective enforcement, potential  
5 immigration enforcement targeted evictions of law  
6 abiding New Yorkers. There's no consideration given  
7 to the need for any sort of oversight and  
8 accountability regarding the data collection and  
9 retention by OSE or Palantir. The legislation fails  
10 to provide adequate oversight and privacy protections  
11 for the host. There is no data retention policy.  
12 That creates the likelihood of security breaches  
13 regarding information about the host. We urge you to  
14 incorporate in this proposed legislation provisions  
15 that would minimize collection and retention of the  
16 private information by the platforms and by OSE to  
17 what is operationally necessary for a fixed retention  
18 period. The bill also fails to address potential  
19 uses and abuses of the booking services in OSE's  
20 technologies to engage in unwarranted surveillance of  
21 individuals who participate on the platform. Other  
22 than what could be gleaned through publicly available  
23 documents, the various data crunching technologies  
24 offered by Palantir, IBM and vendors utilized in New  
25 York City by city agencies is entirely shrouded in

2 secrecy. Before the Council takes action to mandate  
3 the turnover of personally identifying information of  
4 any New York City resident who participates on any of  
5 these STR services platforms to OSE's data crunching  
6 platform, the Council should engage in intensive fact  
7 finding and oversight to better understand the city's  
8 complex relationships with Palantir. As an  
9 alternative we do propose in our testimony the  
10 collection of data that is supported by the MFY Study  
11 and by McGill study that previous people have  
12 testified about. We would support mandated  
13 collection and an analysis of the anonymized data  
14 with STR platform utilizations stripped of personally  
15 identifying information and address resolution to  
16 decrease the census tracts or street blocks. This  
17 data collection and analysis would ensure the  
18 accurate assessment of an informed response by the  
19 city to research that indicates STRs are disrupting  
20 communities, threatening affordable housing and  
21 facilitating rapid gentrification and displacement of  
22 long line time residents from many neighborhoods.  
23 You've heard various opinions on whether or not 981  
24 violates Section 230 of the CDA. I think that the  
25 Council needs to undertake some significant research



2 with respect to whether or not this enactment would  
3 result in costly and prolonged litigation. If your  
4 service providers include the major media outlets in  
5 New York City as well as Facebook, which permits paid  
6 content for short-term rentals to engage in a fight  
7 with the city over 230 of the CDA, you are not going  
8 to accomplish what I think are the worthy goals of  
9 your efforts here. With that, I'll set my testimony  
10 aside because I know I'm over, but I did provide more  
11 extensive comments in my testimony that was  
12 submitted. Thank you.

13 CHAIRPERSON CORNEGY: Thank you so much  
14 for your testimony. Are there any comments or  
15 questions from my colleagues? Yes, Jumaane.

16 COUNCIL MEMBER WILLIAMS: Thank you so  
17 much for all of your testimony and for supporting the  
18 bill. I just wanted to make sure I put a final  
19 comment on the record. I have to leave. Thank you  
20 for the hearing, and—and Carlina for—for—I'm sorry,  
21 Council Member Rivera for your bill and Council  
22 Member Rosenthal. I just found out that Airbnb is  
23 not going to be here to testify, and I find that  
24 despicable that they will not come and have a  
25 conversation with us. They are saying that they want

2 to have a discussion, and they are not showing up.

3 Instead they've shown up—they've asked black and

4 brown faces to come and be their face while they have

5 this discussion, and I find that despicable again.

6 They're using the very real plight of these

7 homeowners to hide out the problems and protect their

8 bottom line. So, if they really want to have a

9 conversation, they would have been here. They put

10 out some kind of advertisement of the amount of money

11 that some of us received from HTC. They should be

12 here to back that up because I'd love to know how

13 much money they have given to particular Republicans

14 and others Upstate to protect their bottom line. So,

15 that would be a great conversation to have. I do

16 want to say we—we did go back to the record. We did

17 touch upon and probably a few years ago a hearing of

18 them doing some enforcement on the one and two-family

19 homes. By no means were we led to believe that

20 what's happening now is going to be happening. We're

21 going—I was going back through some of the tests-

22 text. That just wasn't the impression that we had,

23 and so clearly something is wrong. I want to work

24 you Chair to try to get this moratorium on owner

25 occupied one and two-family homes who we have made

1 clear is not our intent. If OSE cannot follow what  
2 our intent is, perhaps we have to look at the funding  
3 that we are giving them to bring them into line so  
4 that they can get some resolution. Also, I do have a  
5 bill with the Inspector General over-over the OSE,  
6 and maybe if we look at that and some other bills.  
7 Otherwise, I do thank OSE for the work they're doing  
8 on the multiple dwellings part because that is  
9 particular important, but as you said, it is a way  
10 not to throw the baby out with the bath water. We  
11 have to bifurcate this. Generally speaking, people  
12 like Airbnb who try to get as much money out of a  
13 community as they can, try to divide folks, and  
14 that's what's happening here. They're dividing one  
15 and two-family homeowners who we all want to support  
16 with the multiple dwellings and HDC. I think  
17 everybody is actually trying to get the same thing.  
18 The only people who are winning here is Airbnb, but  
19 hopefully again they'll get some of their comeuppance  
20 because we moved forward with this bill in a way that  
21 hopefully will protect the one and two-family  
22 homeowners who have a very real issue. Thank you so  
23 much.  
24

2 CHAIRPERSON CORNEGY: Thank you, Council  
3 Member. Thank you for your testimony. We'll call  
4 the next panel. [pause] Mike Allen, Skip Carroll,  
5 and Minister Kirsten John Foy, and Regina Atry (sp?)  
6 [background comments, pause] Is Ms. Atry, Regina are  
7 you still here? Okay, we'll give her one second. I  
8 believe she's coming from the balcony. I'm going to  
9 ask the Sergeant-at-Arms if he will in particular put  
10 the clock on for Minister Foy, please.

11 SERGEANT-AT-ARMS: Okay,

12 CHAIRPERSON CORNEGY: [laughs] So, if you  
13 could just identify yourself and—and you can begin  
14 your testimony. Thank you.

15 REGINA ATRY: I am Regina Atry [off mic]

16 SERGEANT-AT-ARMS: [off mic] You have to  
17 push your microphone

18 REGINA ATRY: [on mic] I am Regina Atry  
19 a host in host in Far Rockaway. I rent and reside in  
20 a single-unit family house part of which I use for  
21 short-term hosting. Renting out my spare rooms  
22 provide me the extra income to afford the high cost  
23 of residing in New York City. I am here today to  
24 protect my right to host without fear of undue  
25 harassment from the city employment—sorry enforcement

2 agencies with ambiguous interpretations of existing  
3 laws. This bill if passed would provide the agencies  
4 who have been trolling and hounding us to get us out  
5 of our homes and New York City. I would appreciate  
6 if the Council looked into the bill and is able to  
7 help us who are trying our best to leave us  
8 responsible hosts in New York City. They have told  
9 us severally that two-family homes and other single-  
10 family units will not be affected, but we hear  
11 repeatedly that these units are still going to be  
12 affected. Giving them the information about us would  
13 put us in danger of them harassing us continuously.  
14 Thank you.

15 CHAIRPERSON CORNEGY: So, Ms. Regina, I'm  
16 wondering what borough you live in.

17 REGINA ATRY: I live in Far Rockaway,  
18 Queens.

19 CHAIRPERSON CORNEGY: And so, again, I  
20 just have to reference my bill, which seeks to have  
21 an exemption for one and two-family homeowners owner  
22 occupied from enforcement. So, please pay very close  
23 attention to that bill.

24 REGINA ATRY: That repeats sadly-we had  
25 the—we've also seen the reality where these homes

2 have been attacked. We've heard the testimony of the  
3 Special Enforcement Units where we're being told that  
4 these homes are going to be affected ultimately  
5 because it's in the law for two-family houses not to  
6 be rented out. Thank you.

7 CHAIRPERSON CORNEGY: Please—please be  
8 assured that there's a special attention played to  
9 your circumstance, and those in that circumstance of  
10 people in your—you know, in your same situation.

11 MINISTER FOY: With your permission I'll  
12 defer to the other person.

13 CHAIRPERSON CORNEGY: Where—where to out-  
14 gentleman me.

15 MINISTER FOY: No sir. Not in your house.

16 SKIP CARROLL: Thank you for seeing me.  
17 My name is Skip Carroll. I'm an Airbnb host. I'm  
18 also disabled. I have epilepsy and I've had 12  
19 operations. Without Airbnb I cannot stay in the home  
20 that I've grown up in. I've only lived in one home  
21 all my life. Last year, while I was at philosophy  
22 class, three officers came to my house, and they  
23 tried to get in. My neighbors told me. They tried  
24 to look in my windows and they left several summonses  
25 for me. I had to fight it, and I got them dismissed,

2 but all I'm asking you to do is write a law that is  
3 narrow enough so it's not going to target someone  
4 with a two-family house or a one-family house. I'm  
5 being put into the same category that people in—that  
6 own 100 apartments are being put into with no regard  
7 to what's happening to me. I want to live my life in  
8 the only home I know, and that's all I'm asking to  
9 happen, and that's it. Thank you.

10 CHAIRPERSON CORNEGY: Mr. Carroll, what  
11 borough do you live in?

12 SKIP CARROLL: Brooklyn.

13 CHAIRPERSON CORNEGY: Brooklyn. So,  
14 again, the—the—the laws that we've heard today are  
15 targeted towards bad actors, and those people that  
16 are removing affordable housing units. It's been my  
17 experience that when enforcement time comes, that's  
18 not actually what happens, and again, I'm going to  
19 reference the bill that we have before the Council,  
20 which would seek to have a special—almost a carve-out  
21 for one and two-families from enforcement. So, it  
22 wasn't—it couldn't have been included in the bill as  
23 it was written. So, we're hoping that that provides  
24 some semblance of support, and we will be following—  
25 we—OSE testified to the fact that the majority of

2 their complaints—the majority of their enforcement is  
3 generated by complaints filed with 311. We're going  
4 to follow that to make sure that there's not one  
5 entity filing those complaints where we find it. So,  
6 there are some, you know, some ways that we—we—we  
7 seek to protect homeowners like—like yourself.

8 [bell]

9 SKIP CARROLL: And I appreciate that, but  
10 nevertheless, I was still targeted. You need—if you  
11 need something with hands-on experience to help you  
12 out with this, all you have to do is ask me.

13 CHAIRPERSON CORNEGY: I'm—I'm going to  
14 ask for—at—at the end of your testimony for a staff  
15 member to come and get your information so we can  
16 look further at what transpired, but can you tell me  
17 what some of those summonses that you ultimately  
18 received were for?

19 SKIP CARROLL: Not having a fire alarm  
20 system, not having a water system.

21 CHAIRPERSON CORNEGY: A sprinkler system?

22 SKIP CARROLL: Yes.

23 CHAIRPERSON CORNEGY: Okay, thank you.

24 SKIP CARROLL: It's a two-family house.

25



2 CHAIRPERSON CORNEGY: Thank you, and—and  
3 do you—Well, I'm sorry, lastly, do you know what  
4 triggered the inspection to your house? Did they  
5 tell you that someone had made a complaint?

6 SKIP CARROLL: No, I never—I never saw  
7 anybody. Like I said, I was away. I was at class  
8 that day.

9 CHAIRPERSON CORNEGY: Okay.

10 SKIP CARROLL: They just left it on my  
11 front door.

12 CHAIRPERSON CORNEGY: Okay. So, it would  
13 be interesting how-how the investigation or the  
14 inspection was triggered.

15 SKIP CARROLL: There had—there had to  
16 have been a complaint, but—but I don't know--

17 CHAIRPERSON CORNEGY: Okay.

18 SKIP CARROLL: I—I can't tell you.

19 CHAIRPERSON CORNEGY: Okay. Thank you.

20 MICHAEL ALLEN: Good afternoon. My name  
21 is Michael Allen. I live in the Bronx. I'm a host in  
22 the Bronx. I actually own a three-family housing  
23 dwelling. I've lived in the Bronx my whole life. I've  
24 lived in the Bronx when it was the hardest to live  
25 there. I lived there through the '80s and I—I did

2 everything that I thought I was supposed to do to-to  
3 try to become a homeowner, own a house and provide  
4 for my family. I'm an individual whose married and  
5 has three children. My children, I-I--because of  
6 being able to share my home as an Airbnb listing, I  
7 can put my children in private schools, and it also  
8 affords me the ability to pay my mortgage when I lost  
9 my job. I'm an individual who I worked in broadcast  
10 television for seven years. When I lost my job it  
11 was really difficult for me to get the same type of  
12 job that I had before, and be able to pay my bills.  
13 So, I got into trouble with my mortgage, and I also  
14 had a tenant, a long-term tenant that was not paying  
15 their rent. They was not doing their part, and I had  
16 to carry their mortgage and their rent and their  
17 bills in addition to my mortgage to try to, you know,  
18 pay, just to simply live in my home. I love hosting.  
19 I love hosting individuals from other countries,  
20 people who come here. It gives me an opportunity to  
21 showcase my neighborhood. [bell] The Bronx is a-is  
22 a place that gets a lot of unfair treatment because  
23 of the stigma that it had from the 80s. In this--with  
24 this platform, it allows me to be able to, you know,  
25 share my--share my neighborhood and share it with the

2 world. A lot of people they read about where hip-hop  
3 started. It's right in my very same neighborhood--

4 CHAIRPERSON CORNEGY: [interposing] I'm--  
5 I'm going to have stop you right there. Hip-hop  
6 started in Brooklyn.

7 MICHAEL ALLEN: [laughter]

8 CHAIRPERSON CORNEGY: No, I was just  
9 kidding.

10 MICHAEL ALLEN: I-I beg to just--

11 CHAIRPERSON CORNEGY: I'm sorry, continue  
12 your testimony.

13 MICHAEL ALLEN: That's alright, but--

14 MINISTER FOY: The Lord says you are  
15 correct.

16 MICHAEL ALLEN: That said [laughter] I'd  
17 like to also, you know, just state that there's a  
18 disproportionate amount of affordable housing that's,  
19 you know, concentrated in the Bronx, which is also,  
20 you know, not fair to homeowners like myself, and as  
21 a result, we get, you know, undesirable people in the  
22 neighborhood and, you know, it's really hard to try  
23 to continue to live there with my kids when you have  
24 all these different, you know, you got large tenement  
25 buildings and the whole building is-is affordable

2 housing that, you know, and it affects my quality of  
3 life, and, you know, I've been here—I love New York.  
4 I love being in the Bronx, but I'd like to be able  
5 to, you know, show the diversity and show what it's  
6 like and—and—and bring people to be able to see what  
7 I see, and that's it.

8 CHAIRPERSON CORNEGY: So, I want to  
9 particularly thank you for your testimony because I  
10 think that what we've left out in this conversation,  
11 we've talked about all the financials, but I've heard  
12 hosts tell me that they feel like ambassadors for  
13 their community and for the city of New York, and  
14 that hosting provides the social component that you  
15 don't speak about in—and obviously in hearing.

16 MICHAEL ALLEN: Absolutely.

17 CHAIRPERSON CORNEGY: And I want to thank  
18 you for adding that component to it because I think  
19 sometimes we leave that—the—the city is losing a  
20 little bit of its authenticity with big box stores  
21 coming in and all those kinds of things, and so some  
22 people come to the city to get a real experience  
23 whether it's of the Bronx or Brooklyn or Queens--

24 MICHAEL ALLEN: [interposing] Whatever  
25 the--

2 CHAIRPERSON CORNEGY: and-and-and-and  
3 I've heard hosts that are really passionate about  
4 what they do not just the money making component to  
5 it but being and ambassador for their community. So,  
6 I want to thank you for adding that-that caveat to-to  
7 a very financial conversation.

8 MICHAEL ALLEN: Absolutely, absolutely.

9 CHAIRPERSON CORNEGY: Of course Council  
10 Member—Oh, Council Member Gjonaj has questions?

11 COUNCIL MEMBER GJONAJ: Yes, thank you,  
12 Chairman. Just your first name please.

13 MICHAEL ALLEN: My name is Michael.

14 COUNCIL MEMBER GJONAJ: Michael, and  
15 again, this is a public hearing so it's important  
16 that your testimony be truthful and honest.

17 MICHAEL ALLEN: [interposing] That's what  
18 I've--

19 COUNCIL MEMBER GJONAJ: [interposing]  
20 what was that statement you made about hip-hop?

21 MICHAEL ALLEN: [laughter] It started in  
22 the Bronx.

23 COUNCIL MEMBER GJONAJ: The Bronx through  
24 and through. Thank you.

25 MICHAEL ALLEN: Right.

2 COUNCIL MEMBER GJONAJ: It's on the  
3 record. [laughter]

4 COUNCIL MEMBER WILLIAMS: Brooklyn raised  
5 it, though.

6 CHAIRPERSON CORNEGY: Thank you, Jumaane.

7 MICHAEL ALLEN: Just the one last thing I  
8 wanted to add is that with the task force, we're just  
9 afraid of the unintended consequences that might come  
10 out of having this bill signed and approved into law,  
11 and I'm not a policy expert or anything like that but  
12 I know that there's plenty of laws that have been  
13 made that have inadvertently affected me or impacted  
14 my life negatively, and it wasn't meant to do that.  
15 That's all I wanted to say.

16 CHAIRPERSON CORNEGY: Thank you again for  
17 your testimony. Minister Ford.

18 MINISTER FOY: Thank you Mr. Chairman.  
19 To all the Council Members present, to all of the New  
20 Yorkers present, I first want to take brief moment  
21 since I have an opportunity to put some words on an  
22 official government record that the Supreme Court  
23 decision upholding the Muslim ban is disgusting is  
24 disgusting and un-American. I also want to say that  
25 the policies separating families from children is

2 disgusting, un-American and tyrannical and fascist  
3 and I raise voice in opposition of resistance to it.  
4 Having said that shifting to the law and more local  
5 matters at hand, yes, indeed hip-hop is Brooklyn  
6 born. [laughter] That is undeniable. We have some  
7 serious issues dealing—handling and focusing in our  
8 city. Affordable housing is among the top. You all  
9 in the Housing—on the Housing Committee and those who  
10 chaired before you have a real focus on preserving  
11 what many of us see as a very shrinking black middle-  
12 class. We have currently a law enforcement agency  
13 that has operated disgracefully and  
14 unconstitutionally in my opinion in our communities,  
15 and before you empower this agency any further to be  
16 able to further disenfranchise and discriminate  
17 against certain classes of people there must be  
18 oversight put into place. I myself believe there  
19 should be an Inspector General for the Mayor's Office  
20 of Special Enforcement. There is currently no place  
21 where civilians can go and file a complaint. There's  
22 no place where we can get an official reporting of  
23 the agency's activities and enforcement activities,  
24 and as I'm sure you've discovered for yourself, there  
25 are a lot of questions around enforcement of this

2 agency. I think it's also disgusting that here are  
3 people who are making millions of dollars who have no  
4 problem paying rent or no problem taking our money  
5 would try to exploit the pain of working people in  
6 this city. There is absolutely no difference between  
7 those who stand against Airbnb and those benefit from  
8 Airbnb except this one fact: That there are millions  
9 of dollars being paid to divide them. And so I want  
10 to say to my union brothers and sisters we are still  
11 brothers and sisters, and we may have a disagreement  
12 on this, but there is no reason that we should allow  
13 those who are ultimately going to benefit financially  
14 from all of this to allows to be divided and fighting  
15 on the street when none of us can afford to live in  
16 New York City. Let me say this: The criminalization  
17 of the black middle-class is unacceptable. There has  
18 always been a conversation by progressives about how  
19 we improve economic conditions, but there is never a  
20 conversation about the black and brown middle class,  
21 and how we preserve them and how we expand them, and  
22 if you're going to pass legislation that injures the  
23 black middle class that will-the black and brown  
24 middle class that was removed from them a vehicle and  
25 a tool to survive a crisis that is not of their



2 making without replacing that, you are acting in a  
3 violent--economically violent manner against an  
4 entire class of people. That is what this bill  
5 represents without proper oversight and everybody  
6 that's--that's thumbing down, most of the people that  
7 are thumbing down are not from the black community.

8 MICHAEL ALLEN: That's right.

9 MINISTER FOY: So, I appreciate your  
10 outside.

11 MICHAEL ALLEN: That's right.

12 MINISTER FOY: I appreciate your outside  
13 opinion, but I'm here to speak for the black and  
14 brown community.

15 MICHAEL ALLEN: Absolutely.

16 MINISTER FOY: The reality is this: The  
17 reality is that the same people that they are  
18 representing themselves, corporate interests are  
19 trying to get into the home sharing business. There  
20 are hotels who are getting into the home sharing  
21 business, and it's in their interest to kill the big  
22 boy on the block.

23 MICHAEL ALLEN: Absolutely.

24 MINISTER FOY: It's in the interest of  
25 the Sheraton and the Marriott to get rid of Airbnb so

2 that they can then monopolize the market like they  
3 have monopolized hospitality in this city. There is  
4 almost \$100 million that is circulated among  
5 communities of color in this city that the people who  
6 monopolize 42<sup>nd</sup> Street want to bring back and  
7 corporatize those dollars when we want to see those  
8 dollars continue to circulate in communities that  
9 have been reeling and still reeling from the economic  
10 crisis. So, look, the reality is this: You can  
11 regulate this industry because it should be regulate,  
12 but to regulate it heavily and-and-and beef up our  
13 law enforcement agency without putting into place  
14 systemic oversight is putting the cart before the  
15 horse. Regulated, does the industry need to be  
16 regulated? Absolutely, but should there be oversight  
17 and regulation of the enforcement agency that's going  
18 to be beefed up that has already proven itself to  
19 operate disparagingly and disgustingly and  
20 disgracefully in communities of color, there should  
21 absolutely be systemic oversight before there is a  
22 beefing up of this agency. And lastly, I would close  
23 by saying this: The bad actors do not live where  
24 they are acting bad.

25 MICHAEL ALLEN: That's right.

2           MINISTER FOY: If you're from the hood  
3 you know the crack dealer didn't live in the crack  
4 house.

5           MICHAEL ALLEN: Uh-hm. So when you're  
6 looking for the bad actors make sure the bad actors  
7 that you're looking for are not the single mothers  
8 that are now enjoying the--the disparagingly and  
9 disgustingly disproportionately impactful benefit of  
10 this enforcement--of these enforcement actions. Thank  
11 you. Thank you.

12           CHAIRPERSON CORNEGY: Thank you. Thank  
13 you all for your testimony. Does anybody have any  
14 questions? [background comments, laughter] I don't--I  
15 don't know if you can--I don't know if you can do  
16 that.

17           MINISTER FOY: It's everything written on  
18 the middle of the floor saying no justice, no peace,  
19 you know,

20           CHAIRPERSON CORNEGY: Yeah, thank you.  
21 Thank you, Minister Foy, for your testimony today.

22           MINISTER FOY: Thank you.

23           CHAIRPERSON CORNEGY: We're going to call  
24 the next panel.

2 COUNCIL MEMBER WILLIAMS: No, wait. I  
3 have something.

4 CHAIRPERSON CORNEGY: Oh, you have a  
5 question?

6 COUNCIL MEMBER WILLIAMS: Yes.

7 CHAIRPERSON CORNEGY: I'm sorry. Council  
8 Member Williams has some questions for me.

9 COUNCIL MEMBER WILLIAMS: I can't take  
10 it—I just can't be nowhere.

11 CHAIRPERSON CORNEGY: That's right.  
12 Where's that paper bag, brother. Where's that paper  
13 bag?

14 COUNCIL MEMBER WILLIAMS: First, I want  
15 to say I forgot the name of the young lady that  
16 testified. While I appreciate your testimony, I  
17 believe you would—I believe all of the homeowners who  
18 are having his issue were deceived by all of us. So,  
19 I just wanted to make that clear. With the City  
20 Council as a body, the Administration when we funded  
21 OSE I was clear—you weren't here. I'm extra (sic)  
22 body here. We—we made it clear that our focus was  
23 not on one and two-family homeowners, abundantly  
24 clear. I believed we had an understanding where that  
25 would not be the target even based on the testimony I

2 just reread. That didn't happen. That is a  
3 tremendous problem, and I apologize to everybody who  
4 was here. We honestly meant that that wasn't our  
5 intent. They are not listening, and so we now have  
6 to figure out how to fix that problem because again,  
7 I know I speak for myself. I believe I'm speaking  
8 for my colleagues who I've heard respond. You are  
9 not the people we are going after. OSE is doing this  
10 on their own. At this point, I believe they are low  
11 by continuing to do what they're doing to one and  
12 two-family homes. And so I'd like to continue to  
13 work with light skinned brother from another mother  
14 [laughter] in-in trying to push those issues, and  
15 hopefully get a moratorium and work with the chair to  
16 get a moratorium on owner-occupied one and two-family  
17 homes while we figure this out, but I would and I'm  
18 very happy to be supporting both of these pieces of  
19 legislation to move forward to deal with Airbnb,  
20 which I wish they were here—other executives were  
21 here to have the particular conversation as well as  
22 my legislation that you point out. The Inspector  
23 General I believe that is an appropriate response to  
24 make sure that some of these questions are answered  
25 beforehand, but I, too, want to make sure I put

2 myself on the record with something completely  
3 unrelated, which is the Muslim ban. Folks be on a  
4 particular type of time. The Supreme Court if we  
5 were years ago we have supported separate but equal  
6 in *Plessey v. Ferguson*. They would agree with Drake  
7 Scott when they say that he has no rights, a white  
8 man has to respect. That's the time we're in.

9 MINISTER FOY: [interposing] That's  
10 right.

11 COUNCIL MEMBER WILLIAMS: I wanted to  
12 make sure I put that on the record as well. Thank  
13 you for your testimony and thank you, Chair for the  
14 hearing.

15 CHAIRPERSON CORNEGY: Thank you, Council  
16 Member Williams. I just want reiterate again the  
17 intent of my legislation, which was briefly discussed  
18 today is to exempt one and two families from  
19 enforcement from OSE.

20 MICHAEL ALLEN: What about three?  
21 [background comments]

22 CHAIRPERSON CORNEGY: Hm?

23 MICHAEL ALLEN: I have a three—I have a  
24 three family dwelling.

2 CHAIRPERSON CORNEGY: Yes, that is a—that  
3 is a larger and broader discussion, but we—we—we've  
4 stayed—we wanted to stay in the—in the vain of the  
5 state law, which covers that and—and I don't mind  
6 revisiting that at some other time.

7 MICHAEL ALLEN: Okay.

8 CHAIRPERSON CORNEGY: But right now, the  
9 law that I'm proposing is for one and two families,  
10 but understand your—your plight as well.

11 MICHAEL ALLEN: Yeah.

12 CHAIRPERSON CORNEGY: So, thank you.  
13 We're going to go to the next panel. Christopher  
14 Augusta—Augusto Lebron, Tom Legela—I'm sorry Layla-  
15 [background comments] I'm sorry, Tom Kayler, John  
16 Furlong, and Dan Evans. [background comments, pause]  
17 Can you please identify yourself for the record and  
18 then begin your testimony.

19 There we go. Council Member, can you  
20 hear me? Chair? Yes, thank you.

21 CHAIRPERSON CORNEGY: I can hear you. I  
22 just ask for us to settle down. We have the next  
23 panel about to speak.

24 SERGEANT-AT-ARMS: Take all conversations  
25 outside please. Keep it down.

2 CHAIRPERSON CORNEGY: Thank you.

3 CHRISTOPHER AUGUSTO LE BRON: Thank you  
4 for this moment. My name is Christopher Augusto Le  
5 Bron. I'm also a member of Manhattan Community Board  
6 4 as well as a member of the Block Association of the  
7 West 47<sup>th</sup> Street and 48<sup>th</sup> Street Block Association  
8 located in Hell's Kitchen. I'm speaking on behalf of  
9 my fellow residents and tenants today as the  
10 President of the West 47<sup>th</sup> Street Tenants  
11 Association, we represent over 85 units on 47<sup>th</sup>  
12 Street between 8<sup>th</sup> and 9<sup>th</sup> Avenue in Manhattan's  
13 historic neighborhood of Hell's Kitchen, a proudly  
14 Latino neighborhood. Recently, you may have heard  
15 that the Mayor's Office of Special Enforcement has  
16 filed suit against a Hell's Kitchen landlord with a  
17 rather historic claim in New York Supreme Court.  
18 This claim prompted the judge ruled out on said case  
19 to immediately sign the temporary restraining order  
20 against the entity Big Apple Management. Sadly, I  
21 come before you as lifelong resident of one of those  
22 buildings named in the brief. The West 47th Street  
23 Tenant's Association of which I'm a founder of, was  
24 created by residents of Big Apple's buildings as a  
25 necessary response to decades of abuse by our



1 landlord for a myriad of reasons, the most prominent  
2 of those being the conversion of apartments and units  
3 of multiple dwelling buildings into illegal hotel,  
4 marketed, booked on Airbnb and other digital  
5 platforms. The observation of said illegal activity  
6 on the 300 block of West 47<sup>th</sup> Street was observed and  
7 has been observed hundreds if not thousands of times  
8 over the last decade with the amassing of tourists,  
9 rolling suitcases in tow on our secret stoops, in our  
10 bell ways and worst of all, in our once protected  
11 apartment building hallways. We observe our landlord  
12 and his subcontractors chopping over some-chopping  
13 and over-servicing these units as our needs went  
14 unattended to forcing many of us to use our own  
15 monetary resources to maintain the quality of life we  
16 deserve. For the last ten years we've experienced  
17 prostitution rings inside these illegal hotels that  
18 have been booked through Airbnb. We've experienced  
19 drug rings. We have experienced sex clubs. Our  
20 security has been diminished. We have been ignored  
21 by our landlord. We have been ignored by our super.  
22 We feel inferior and inhumane is the treatment that  
23 we've experienced, and so we thank OSE for doing the  
24 job that they were—they were put up to do, and we  
25

2 thank them for doing it in a humane way respecting  
3 affordable housing, and going after bad actors like  
4 Big Apple Management. [coughs] Sadly, Hell's Kitchen  
5 has—has become nothing but a shell of its former  
6 self. My mother and cohorts in the 80s worked  
7 diligently to get rid of the French Connection the  
8 crack epidemic and the problems inside Times Square.  
9 Thirty years later these illegal hotels in Hell's  
10 Kitchen are now home—homes to drug dealers and hard  
11 drug users. We have no security left, and so OSE and  
12 this bill is only hope to restoring a very proud  
13 community. Thank you.

14 TOM KAYLER: Hey, Chairman. Two and a  
15 half years ago I was sitting at this very same table  
16 here in front of the Housing Committee talking about  
17 this very same problem, and we are two and a half  
18 years later. I wish that Council Member Williams had  
19 stayed because he and I had a very nice conversation  
20 about it. I'm—I'm very impressed with performance  
21 that Airbnb has put on today trying skew the question  
22 about illegal hotels into New York into a very gray  
23 area of a question of what one and two family units  
24 are dealing with in the Outer Boroughs. Again Airbnb  
25 is very smart. They are very dedicated and they've

2 got just a whole lot of money, and they've done a  
3 good job it, but what Mr. LeBron is talking about  
4 this is the heart and soul of illegal hotels in New  
5 York City and this is how it works. I'm very sorry  
6 if one and two-family homeowners are having trouble  
7 out in their outer boroughs, but that's not the  
8 question that we're dealing with here today, and I  
9 think that your bill, Chair Cornegy, that's something  
10 that needs to be looked at a dealt with, but that's  
11 not the question about whether the city needs the  
12 information that this bill will give the city to deal  
13 with the problem. I was writing my testimony last  
14 night, and while I was writing it I got an email from  
15 the Mayor's Office of Special Enforcement about their  
16 latest lawsuit against an Airbnb host who apparently  
17 has—what does it say here? Fifty-seven different  
18 advertisements on Airbnb and six different host  
19 accounts. One of those being in Mr. LeBron's  
20 building, and the only way to stop this is that the  
21 city has to spend gigantic resources in huge lawsuits  
22 extending over seven, nine-year periods of time to  
23 say stop because Airbnb won't stop because this is  
24 about them making [bell] money. So, I urge you pass  
25 this bill. I urge you to say to Airbnb enough is

2 enough. You were here 2-1/2 years ago. We asked you  
3 to comply with the law, and you said no. So, now  
4 we're here to pass a law that you're going to have to  
5 comply with, and you're going to have to give us the  
6 information to protect people like Mr. LeBron and his  
7 block and his neighborhood. Thank you very much.

8 CHAIRPERSON CORNEGY: So, I'm sorry, I  
9 allowed you to give that entire testimony without  
10 identifying yourself for the record.

11 TOM KAYLER: I did not identify myself.  
12 My God, I thought you all knew who I was. I'm here  
13 so many times. My name is Tom Kayler. I'm from  
14 Hell's Kitchen.

15 CHAIRPERSON CORNEGY: Thanks, Tom.

16 JONATHAN FURLONG: Good afternoon and  
17 thank you to the members of the Council for the  
18 opportunity to testify today. My name is Jonathan  
19 Furlong. I'm the Director of Organizing and Housing  
20 Conservation Coordinators. I will not be testifying  
21 on the origins of hip-hop. HCC is a 45-year-old  
22 neighborhood based not-for-profit committed to the  
23 preservation of affordable housing through tenant  
24 organizing and legal advocacy on Manhattan's West  
25 Side. Since 2004, HCC and the West Side Neighborhood

2 Alliance, of which Tom is a member, have been  
3 organizing and fighting against illegal hotels in  
4 Hells Kitchen, Chelsea and the Upper West Side. What  
5 began as a quality of life or nuisance issue roughly  
6 14 years ago has become a serious threat to the stock  
7 of rent stabilized housing in the city, and has been  
8 an accelerant to the gentrifications—gentrification  
9 of our neighborhoods and communities. Any debate on  
10 the legislation being considered should include a  
11 serious conversation about how it would affect  
12 tenants who have fought for years to stay in their  
13 homes. Simply put, New York City is in a housing  
14 crisis. Every night more than 60,000 people  
15 including 15,000 families sleep in shelters.  
16 Currently 147,512 units of rent stabilized housing  
17 have been lost to vacancy decontrol through processes  
18 and policies that have been well documented by  
19 organizers and tenants alike in this very chamber,  
20 The residential vacancy rate in New York as it  
21 currently sits at about 3.6%, and has remained below  
22 5 for decades. The New York City Rent Guidelines  
23 Board had determined that the rental vacancy rates  
24 below 5% are likely to generate market distortions  
25 that result in tenant hardships and displacement.

2 The short-term rental of apartments in multi-family  
3 buildings as the total units has created an overall  
4 loss of 13,500 units of housing from the city's long-  
5 term rental market adding to an already extensive  
6 list of causes that includes buyouts, vacancy  
7 bonuses, major capital improvements, individual  
8 apartment improvements, preferential rents among  
9 others. Tenant leaders and members of the Coalition  
10 have worked tirelessly with the Mayor's Office of  
11 Special Enforcement to identify buildings where  
12 multiple units are being listed as legal hotels, but  
13 without know the address of where these buildings  
14 are, OSE must always rely on somebody filing a  
15 complaint. Intro 981 would allow the city to  
16 proactively identify some of the worst violators that  
17 have been operating with impunity for years. In  
18 other cities such as San Francisco which is an  
19 equally acute housing crisis, roughly 50% of the  
20 listings were moved in six months following new  
21 requirements of registration and address disclosure.  
22 In examining the issue of illegal short-term rentals  
23 as they contribute to the loss of affordable housing  
24 stock in the city, HCC believes a common sense  
25 approach towards regulation of online platforms that

2 have made millions listing apartments that would  
3 otherwise be used as long-term housing options for  
4 tenants and community residents. Towards this end,  
5 HCC supports the passage of Intro 981. Thank you.

6 CHAIRPERSON CORNEGY: Thank you.

7 DAN EVANS: Good afternoon. My name is  
8 Dan Evans, and I'm a staff attorney at the Goddard  
9 Riverside Law Project, and I'm here to testify in  
10 support of Intro 981. Goddard Riverside Law Project  
11 provides legal assistance, tenant advocacy and  
12 organizing to tenants on Manhattan's West Side with  
13 special focus on working with SRO hotel tenants,  
14 single room occupancy tenants. Our office has been  
15 involved with the Coalition Against Illegal Hotels  
16 since approximately 2004, and has joined over 40  
17 other neighborhood based organizations including  
18 Housing Conservation Coordinators, West Side  
19 Neighborhood Alliance, Cooper Square Committee and  
20 Saint Nick's Alliance in the fight against illegal  
21 hotels. Illegal hotels and online operators that  
22 facilitate such services such as Airbnb are an  
23 epidemic in New York City. Websites like Airbnb  
24 allow tenants to rent out their apartments not only  
25 in violation of Local Law, but also in violation

1 their lease. They also allow owners of residential  
2 buildings to engage in a much more lucrative business  
3 model than renting to apartments—renting to permanent  
4 tenants. Our office in working with numerous tenants  
5 has seen how profitable running an illegal hotel can  
6 be. Owners of an SRO building can attain much more  
7 on a per night basis renting to transient tenants  
8 than they can in renting to permanent rent stabilized  
9 tenants. For instance, at the Imperial Court on West  
10 79<sup>th</sup> Street, one rent stabilized tenant pays he  
11 monthly legal regulated rent of \$624.07. However,  
12 the Imperial Court website offers rooms at up to \$350  
13 per night or \$10,500 per month. This incredibly  
14 profitable business model had resulted in increased  
15 harassment of tenants by the owners in an effort to  
16 drive out rent stabilized tenants. Building owners  
17 who rent commercially are aiming to vacate and  
18 convert whole buildings from permanent rent regulated  
19 housing to into full blown commercial hotels.  
20 However, complaints we hear directly from tenants who  
21 seek our assistance only does so much. The city is  
22 force to rely on a complaint driven system through  
23 311 to enforce the Multiple Dwelling Law. Intro 981  
24 will help the city enforce the MDL. It will hold  
25



1 online platforms such as Airbnb accountable for the  
2 bad acting landlords that utilize their services to  
3 deprive New York City of affordable housing. This is  
4 not a bill [bell] that legalizes Airbnb's business  
5 model and it's a bill that merely demands Airbnb open  
6 their books and supply information to the Mayor's  
7 Office of Special Enforcement so the city can ensure  
8 that landlords who warehouse the buildings and run  
9 commercial hotels rather than rent to rent regulated  
10 tenants face consequences for their illegal business  
11 practices. I have only one concern with Intro 981  
12 specifically unintended consequences against tenants  
13 who merely use Airbnb a day or two a year to  
14 supplement their income or tenants who simply rent  
15 out a spare bedroom while the host remains in the  
16 apartment. You've heard testimony about this today,  
17 and I think what Intro 981 should target is large  
18 scale bad acting landlords who deprive the city of  
19 affordable housing in order to make a profit. New  
20 York City must remain strong and pass legislation  
21 that strengthens our laws to protect rent regulated  
22 tenants and rent regulated housing stock, and not  
23 allow Airbnb to continue to refuse to disclose  
24 information on bad acting landlords, which would cut  
25

2 into the platform's bottom line. Thank you and I'm  
3 happy to answer any questions.

4 CHAIRPERSON CORNEGY: Thank you so much  
5 for your testimony. There are no questions. We're  
6 going to move to the next panel. I'm calling Devin  
7 Adams, Lynn Elliott, Davika Bolanoff (sp?) Danny  
8 Huron. [pause] Just once again, Danny Huron. Thank  
9 you. Sorry. Davika Bolanoff. [background comments,  
10 pause] Okay, I tried. Lynn Elliott and Devin Adams.  
11 [background comments, pause] Yes. Again, I just ask  
12 that you identify yourself for the record before you  
13 being your testimony. Thank you.

14 DEVIN T. ADAMS: Hello. My name is Devin  
15 T. Adams. I am a Captain in the United State Army,  
16 and I am her on behalf of myself and ten other  
17 veterans I helped co-host in Harlem. I do not  
18 support the bill simply because I understand that  
19 we've heard a lot about the bad actors, about people  
20 who use what I call shell apartments, places where no  
21 one lives, where they gain prior—the entire purpose  
22 of the apartment is just to be an illegal hotel.  
23 However, I would like to state that the Multiple  
24 Dwellings Law as it stands is deeply flawed in the  
25 way that it interprets the way that New York City is

2 today in 2018. One of the things that it says is  
3 that in order for a unit to be a permanent dwelling,  
4 the family or the boarders or the occupants must be  
5 there 30 consecutive days a month. That's literally  
6 what qualifies as a permanent dwelling. However, for  
7 someone like me as an admissions officer or the  
8 United States Military Academy at West Point, there  
9 are many months where I had to spend time on the  
10 road. Maybe I'm on in my home four days, nine days.  
11 So, I would ask the Council when you're starting to  
12 think about whether you can rent the whole apartment,  
13 whether you're thinking about how many occupants can  
14 be in a home, why is it okay for me to have to foot  
15 the bill and carry the burden for a home of which I  
16 don't even occupy in amount of days in a month that  
17 would make me a legal renter inside of the market,  
18 but I have to have a home. I have to have somewhere  
19 that holds my stuff, where I live that has closets,  
20 that has my pots and pans for the reason that I am in  
21 my home is sometimes. So Airbnb and other home  
22 sharing platforms have allowed me to do just that,  
23 share my home in a way because I have to pay for this  
24 whether I am physically here or not. It doesn't  
25 matter. There's no relief for the tenant if you

2 don't use this thing this much. In addition to that,  
3 rather than having permanent roommates of which I  
4 have had before, I enjoy sharing my home with guests.  
5 I was in Hamburg, Germany two weeks ago staying with  
6 a group, a family that came to my house. I happened  
7 to be in Europe so they were like, Devin, oh, my  
8 gosh, come over. You can come to our house. We've  
9 had summits in my place where we've had dinners.  
10 I've had friends over to meet different guests from  
11 all over the country where we explained the electoral  
12 college to our--to our international friends, right.  
13 Where we--

14 CHAIRPERSON CORNEGY: [interposing] We  
15 how--how as that?

16 DEVIN T. ADAMS: It was amazing. So--so, I  
17 mean we had to explain to them that the purpose of  
18 the Electoral College is to maintain the power of the  
19 states, because if you go to popular vote only, many  
20 states will lose their power as states, and we're the  
21 United States of America. So, the states are what  
22 must be protected, right. So, it's a conversation  
23 that we were able to have in my home by not having  
24 permanent roommates, but having these transient  
25 occupants, as they are called, but they are guests of

2 ours. Now I understand that there's bad actors, but  
3 not any one is going to put us into a situation, but  
4 it is not restrictive enough say alright, we came to  
5 Devein T's apartment. We understand what he's doing  
6 here. We have it registered. That's their check.  
7 I'm going to have to look over my shoulder about OSE  
8 for the rest of the time that I maintain an apartment  
9 in New York City and that is not right. So, my only  
10 thing would be that we need to make sure that this  
11 law, that this bill, the way that we're going to  
12 before it allows us to separate the bad actors versus  
13 the good actors, but not in a way that is completely  
14 always open to interpretation because what—for  
15 example if OSE comes to my door, and I'm not there,  
16 they can give a summons, but maybe I was at work.  
17 Maybe I was out of town, or rather not out of town,  
18 but maybe I was on the other side of town. So, what  
19 is our remedy for these things? They can write the  
20 summons and then we've got to go to court, and not  
21 have to do all this stuff, but really I was just down  
22 the street. So, for me, I don't see how there's any  
23 parameters that are really truly being set on the way  
24 that OSE can and will and continue to operate with  
25 people, and then furthermore my last thing--I'm

2 sorry—is that as Mike brought up, three—three  
3 dwellings. So, we’ve talked about like one and two,  
4 but we also know that there’s myriad of three and  
5 four unit townhomes. Thank you, town homes, that are  
6 really in the gray area between alright you have who  
7 has—I don’t know who has a single-family home in New  
8 York. I’ve never seen one, but in Manhattan where  
9 I’m at in East Harlem, we have a three-unit town  
10 home. Our landlord is cool. Everybody is fine.  
11 Nothing is happening. I live there. We all live  
12 there. We’re not taking any apartments off the  
13 market that are not there. So, I just think it’s  
14 important for City Council to understand this is a  
15 way that people are able to—to afford the—the  
16 extraordinary prices that are here in New York City,  
17 and to make sure that the laws are not overly  
18 restrictive, and what we’re doing in our own homes  
19 because I would tell you if my friend texted me, and  
20 said hey, can I stay in one of your rooms for 21  
21 days, and I said yeah that’s \$700, nobody is going to  
22 care about this because particular transaction, but  
23 because it’s on Airbnb or it’s on VRBO or it’s on  
24 these home sharing platforms it’s suddenly a practice  
25 that everybody has done in their life is becoming of

2 this whole situation where it's being demonized (sic)  
3 and as I said, I understand the bad actors as well  
4 because I made sure that I would try to come under  
5 the umbrella of the law, but law itself needs to be  
6 looked at. That's what I have to say.

7 CHAIRPERSON CORNEGY: Well, first of all,  
8 Devin, I want to say thank you for your service-

9 DEVIN T. ADAMS: Thank you.

10 CHAIRPERSON CORNEGY: --and thank you for  
11 presenting that very unique perspective on-on home  
12 sharing.

13 DANNY HURON: [off mic] Good afternoon.  
14 Can you hear me?

15 MALE SPEAKER: No, press it.

16 DANNY HURON: [on mic] Yeah, good  
17 afternoon. My name is Danny Huron (sic) and I'd just  
18 like to state for the record that I am here to talk  
19 about the transformation of how we can share our  
20 homes better. You know, I'm for regulations. Can  
21 you hear me? Okay. I am for and I'm also a member  
22 of HSAA, Home Share Association of America, and I  
23 really think it's important that we come to the table  
24 to transform this conversation into something that  
25 really-I'm sorry-that we can do better. Okay, I'm

2 not in support of this bill because we don't trust  
3 it. You know as home sharers, it's been evident that  
4 there really has really attacked us in so many ways  
5 where we're no longer at ease. There's many of us  
6 who are operating in ways that are with integrity and  
7 respect, and we're a community of hosts. There's—  
8 I've lived in Brooklyn all my life. I lived in  
9 different neighborhoods and there's new construction  
10 all over Brooklyn. None of it is affordable.  
11 There's two bedrooms for \$2,500. There's even some  
12 for \$3,000 for one bedroom. There are working class  
13 New Yorkers who can't even really afford to stay here  
14 any more. There are people who are middle-class who—  
15 it's just really impossible to even—a person like me  
16 who's still paying student loans who is also an  
17 entrepreneur and an artist, and really needs to  
18 maintain a certain quality of life. I have hosted  
19 people from juniors in college—college students who  
20 are here doing internships on Wall Street. I've  
21 hosted people who are residents from different  
22 countries working at the local hospital in my  
23 neighborhood in Crown Heights, and they wouldn't be  
24 able to afford to stay in a hotel. Nothing against  
25 hotels, but if we can really come together and create



2 something where everybody is able to participate in  
3 this economy, I'm not for no regulation, but I'm just  
4 for something that is sensible, you know, and we are  
5 all trying to move to where—we didn't create these  
6 problems, but we also utilized the platform to find  
7 solutions. So, what I'm asking you to do is to  
8 really take a look at this Office of Special  
9 Enforcement, and really look at the impact of what it  
10 would mean for a lot of us New Yorkers, and to really  
11 work towards transformation. Thank you.

12 CHAIRPERSON CORNEGY: I want to thank you  
13 for your testimony and bringing up again the social  
14 component to home sharing. I think that that's  
15 important to keep reiterating, being an ambassador  
16 for your community, sharing your home, sharing, you  
17 know, the ability to have shared experiences around  
18 the world. I think—I think that's important. I  
19 think it's even more important for people of color to  
20 participate based on that.

21 DANNY HURON: Thank you.

22 CHAIRPERSON CORNEGY: That—that—that part  
23 of your testimony and the social component to this is  
24 not wasted on me or this committee. So, this is

2 government, and the conversation has centered  
3 primarily around finance—the finances--

4 DANNY HURON: Yes.

5 CHAIRPERSON CORNEGY: --and law, but keep  
6 reiterating the social component. I think that's  
7 important for people to know. Thank you.

8 DANNY HURON: Excuse me. On that point,  
9 there are so many people who come to our great city  
10 to participate in the institution. So, there's  
11 people who have come to go the Actor's Studio.  
12 There's people who come to do so many things to  
13 participate, and to church. So many things, and to  
14 be able to share in that is very important.

15 CHAIRPERSON CORNEGY: So, it—and I've got  
16 add. So, someone mentioned earlier the cultural  
17 aspect--

18 DANNY HURON: Yes.

19 CHAIRPERSON CORNEGY: --of home sharing,  
20 and I grew up in a family that had Southern and  
21 Caribbean roots, and when you came north, you found a  
22 family member or a family member who was a family  
23 member of a family member of a family member, and  
24 they provided a place for you to reside primarily  
25

2 because the city wasn't free to experience for people  
3 of color.

4 DANNY HURON: Yes.

5 CHAIRPERSON CORNEGY: So, you had these  
6 closed networks, and while it is on a platform now,  
7 it feels very familiar to people of color because  
8 that was a way of existence in this country for many  
9 decades. So, when I hear people of color speak  
10 passionately about their commitment to home sharing  
11 and the social components I'm reminded that was a way  
12 of existing in this country for people of color to be  
13 in a safe environment and to travel in networks that  
14 were supportive of them. So, that—also that social  
15 and cultural component isn't wasted on me. So, I  
16 think they were SROs or rooming houses or you were on  
17 someone's couch or in someone's—if you're from  
18 Brooklyn, somebody's hall room that was set aside  
19 basically for transient natured folks so that they  
20 could get a foothold in a city that was—was not  
21 always accepting. So, I think we—we should—we should  
22 be reminded of the cultural component and the  
23 cultural aspect to it as well. I think one of my  
24 colleagues mentioned, though, that Airbnb may be  
25 using that and tugging at the heart strings of some

2 folks and—and using the face of that. So, we have to  
3 be also conscious of that.

4           DEVIN T. ADAMS: Sorry. Let me tell me  
5 you, nobody and we were just at the Home Sharing  
6 Association of America meeting together last week,  
7 right. I will tell you that by and large the hosts  
8 here that are speaking while it may seem that Airbnb  
9 put us up to this, what Airbnb did was tell us that  
10 hey, something that you are utilizing to help your  
11 life maybe taken away from you, and also may be  
12 regulated in a way that's going to be negatively—may  
13 negatively impact you, and we showed up to come to  
14 speak to you guys about that. So, I just don't want  
15 it to—I want to be clear that I don't--

16           DANNY HURON: Yes.

17           DEVIN T. ADAMS: --know anybody who is  
18 sitting here that doesn't live in their home and use  
19 this platform for the purposes of what we're telling  
20 you. Nobody paid us to be here. Nobody is trying to  
21 get—we didn't have a strategy meeting about how we're  
22 going to tug at the heart strings or anything. So,  
23 all we had was like hey, this pays your bills  
24 [laughs] and it might not pay your bills next week.

2 DANNY HURON: And also we've come  
3 together through HSAA to rally around as New Yorkers  
4 as well to speak with legislators to not only be  
5 under the umbrella of the home sharing platform, but  
6 as New Yorkers as well, you know, to continue the  
7 conversation and to also create something new as  
8 well. That is sensible. [laughs]

9 CHAIRPERSON CORNEGY: I had actually  
10 hoped that we would have had some—and I don't know if  
11 the panels will—will reveal some small businesses

12 DANNY HURON: [interposing] Yeah.

13 CHAIRPERSON CORNEGY: --who have a say or  
14 have—who are stakeholders in this process especially  
15 in the outer boroughs who have seen an increase in  
16 revenue based on home sharing. So, there—there is an  
17 ecosystem that sometimes we talk about that I hear  
18 about quite often--

19 DANNY HURON: Yeah.

20 CHAIRPERSON CORNEGY: --that's created by  
21 this—by this sharing.

22 DANNY HURON: Yeah, the laundry, the  
23 cleaning services, you know, so many different food  
24 deliveries amongst other things is—that I can just—

2 CHAIRPERSON CORNEGY: So the only thing  
3 that I suggest to the Home Sharing Association is  
4 that I know insularly you're probably having great  
5 conversations about the components that make it  
6 doable. I think you might let--want to let the rest  
7 of the world know.

8 DANNY HURON: We're trying. We're--we're  
9 really trying to do so.

10 CHAIRPERSON CORNEGY: Thank you. Oh, I'm  
11 sorry. Of course.

12 COUNCIL MEMBER RIVERA: I just want to  
13 thank you all for being here for everyone that has  
14 been here whether it's been half an hour or an hour  
15 if you've been here since 10:00 a.m. like I have,  
16 thank you for--

17 CHAIRPERSON CORNEGY: 9:30.

18 COUNCIL MEMBER RIVERA: At 9:30 we had a  
19 vote. I, you know, I said in my opening remarks that  
20 I--I certainly do not intend to penalize one or two-  
21 family home operators or anyone who is legitimately  
22 using this service in a legal and responsible way,  
23 and I intend to keep that promise. I'm very open to  
24 meeting with the Home Sharing Association of America  
25 and to all the advocates that are also here who

2 understand that my main priority is to protect  
3 affordable housing. I realize that some of the  
4 biggest concerns are with the Office of Special  
5 Enforcement itself, and I plan to look into that  
6 agency and work with them to try to take the  
7 resources and improve their transparency, and how we  
8 are holding them accountable because that is our  
9 charter mandated responsibility to hold agencies  
10 accountable. I'm going to return. I have to step  
11 out for a meeting on a--on a project in my district,  
12 and I want to thank you Chairman Cornegy for holding  
13 a neutral hearing, and allowing people for and  
14 against and being fair in the questions that you ask  
15 the people for and against this bill. So, I want to  
16 thank you for that neutral approach thus far. So, I  
17 just wanted to thank you all for being here, and I  
18 plan to return to hear your testimony and anything  
19 you submit that is on record I plan to read. Thank  
20 you very much everyone.

21 CHAIRPERSON CORNEGY: Thank you, Council  
22 Member.

23 DAVIKA: [off mic] Hi, yes, my name is--my  
24 name is Davika. [pause] [on mic] Oh, great. Hi,  
25 yes my name is Davika. I am from Queens. I am a

2 mother of three daughters living in the most  
3 expensive city in the world. I work hard to support  
4 my family renting out a room in house every now and  
5 then affords me the financial stability and  
6 flexibility to take care of my kids, and put away  
7 some savings. Along that host that come to my house  
8 spend a lot of money my neighborhood, the dry  
9 cleaners like you guys are saying. A lot of new  
10 restaurants are opening up business in my area, and  
11 I'm always sending them to the area—to the  
12 restaurants, which increased—financial increased in  
13 the—in my community, which I see is really, really a  
14 contribution to my community. That's it. Thank you.

15 CHAIRPERSON CORNEGY: Thank you and again  
16 so that's the—the third component is the economic  
17 value to communities especially in the outer  
18 boroughs, and those people who are advocates for home  
19 sharing. I—I just think you need to get that impact,  
20 the social impact, the social and cultural impact,  
21 and then the economic impact to your communities that  
22 has to be a part of your narrative as well. So, I  
23 thank you so much for your testimony.

24 DAVIKA: Yes, thank you.



2 LYNN ELLIOTT: Hi, I'm Lynn Elliott and  
3 I'm from Staten Island. Can you hear me? Can you  
4 hear me now? I'm Lynn Elliott. I'm from Staten  
5 Island. My husband and I own a two-family home and  
6 we home share, and just to be clear, we home share  
7 our apartment. We have a tenant, and have had a  
8 tenant since 2005, and we've never thought of asking  
9 them to leave to turn it into an Airbnb. We started  
10 doing this because I was restructured out of my job  
11 in 2014, and then two months later my husband found  
12 out his company was closing down, and we started this  
13 because we needed to try to keep a roof over our  
14 heads, and we found out we really loved it. As  
15 others have said, we meet people from all over the  
16 world. They're wonderful people, and we enjoy  
17 sharing our home, and it's helped us financially, and  
18 if we can't do this, we will lose our home if this  
19 bill goes through. We're just very worried. I'm  
20 sorry. I'm nervous but thank you for your time.  
21 [pause] I'm sorry.

22 CHAIRPERSON CORNEGY: So-so, the  
23 distinction that I do want to make on your part is  
24 that if you are sharing your home and you live there,  
25

2 that falls under the parameters of-of being legally  
3 operated?

4 LYNN ELLIOTT: That's not what I've seen  
5 from the agency.

6 CHAIRPERSON CORNEGY: Oh, good, so-so  
7 please go ahead then.

8 LYNN ELLIOTT: People are-people are-all  
9 the hosts that I know have had trouble and are  
10 afraid, and I don't think there's clarity about, you  
11 know, who-who-who-where they're enforcing and that's  
12 what I'm concerned about and, you know, as others have  
13 said, I don't mind regulation. I just want to  
14 understand what it is and what my role is and-and,  
15 you know, and I'm concerned that there's no  
16 oversight.

17 CHAIRPERSON CORNEGY: So, I have-so one  
18 of the reasons that we hold these hearings are  
19 oversight, but-but also to get a clear and concise  
20 kind of understanding for owners and stakeholders. I  
21 feel like we're almost at the end of this hearing,  
22 and people still don't-don't have it-a clear and  
23 concise. We did come out understanding if it's-if  
24 it's true what was articulated by OSE about two  
25 families and that one unit still being illegal, which

2 we're going to certainly follow up on that was a  
3 somewhat new revelation.

4 LYNN ELLIOTT: It's one we got. (sic)

5 CHAIRPERSON CORNEGY: Right. So, so we  
6 did learn that today, but generally you-you-there  
7 still-still seems to be an air of confusion on behalf  
8 of how you're operating in the parameters, and  
9 certainly hopefully by the end of this can get to  
10 some clarity because what I want people is to walk  
11 away feeling assured that they have a solid  
12 understanding of what the new legislation proposes,  
13 what the old legislation was and it's a little  
14 convoluted right now, which is why both myself and my  
15 colleagues asked for a moratorium on enforcement  
16 until we can be ensured that everyone has been-has a  
17 solid understanding of how they operate in and out.  
18 So, I'm going to again state on the record, and this  
19 is a classic example of why this should happen, where  
20 there should be a moratorium. There should be an  
21 education period where we're doing the education and  
22 outreach so that people have a solid understanding.  
23 Now, one would say that the legislation proposed  
24 especially around disclosing the information would be  
25 helpful because then we'd know who reach out to let

2 them know what the parameters are. So, you know,  
3 there's still some discussion that this--this  
4 committee is going to have to go back and have, but  
5 I--I still stand firmly by the idea that as we sort  
6 this all out, there should be a moratorium on  
7 enforcement not on the--not on the bills because--but I  
8 just think a moratorium on the enforcement of the  
9 bills until we can have a solid understanding that  
10 people--that people know, and that hosts understand.  
11 So, I want to thank you for your testimony, and I'm  
12 committed to making sure that there's the appropriate  
13 outreach before there's any enforcement. Thank you.  
14 We're going to call the next panel. Katrina  
15 Bicanova, Patricia Gordon, Bobby Crowder and Kevin  
16 Dwyer. [pause] Just a reminder to state your name  
17 clearly for the record before you begin your  
18 testimony.

19 KATRINA BICANOVA: Hello. My name is  
20 Katrina Bicanova, and I'm here for the Airbnb. I am--  
21 I am a host and a traveler. So, lots--lots of things  
22 have been said about the money issues, about safety  
23 issues, but the point is Airbnb is for people to have  
24 a different experience than the hotel. You know, you  
25 come to your home, you have a little kitchen. Some

2 people they cannot afford like \$3.00 for a box of  
3 coffee. It's too much for them. They come and they  
4 want to explore New York, but they want to stay  
5 within the budget, and the Airbnb is the budget  
6 option. Its a budget-friendly option for some people  
7 who wants to stay in Bronx, Brooklyn and Staten  
8 Island. You know, it's like for a little Russian  
9 (sic) is doing like public speaking. So, Airbnb gives  
10 them the opportunity to be welcomed into the city,  
11 but do not be part of the hotel. When you checked  
12 and checked out elevator down, elevator up. It's a  
13 very different and I live my guests. Like I have a  
14 mother who sends her only daughter to college and the  
15 mother is freaking out. She's like she's lost in the  
16 city. She doesn't know where to park, she doesn't  
17 know how to park. So, I think you have--let me put  
18 you on a bus. Here's the bus straight to the dorms.  
19 Here's the parking lot. Here's how to use the  
20 subway. You talk to them, you make it personal for  
21 them. You make them feel comfortable. You—you make  
22 them feel welcome into the city. You host them.  
23 This is about being, you know, you host them. You  
24 friendly host them. You help them, and then you also  
25 travel on the road. You meet different people, you

2 stay in their apartments, you stay in their rooms and  
3 it's cheaper than being in a hotel. Not everyone can  
4 afford like \$3 or \$400 per night at the hotel, and  
5 people are saying the Airbnb oh, how much money are  
6 you charging? We didn't make much money with Airbnb.  
7 The Airbnb sometimes will not even cover the market  
8 price of you apartments. It won't cover it. It will  
9 like give you some little partial so you can take  
10 time—it gives you the opportunity to take time off  
11 work and go see your family. Like my family is very  
12 far away. My family is in Russia in like a small-  
13 small tiny town and it takes me 24 hours to get  
14 there. [bell] I can't go there for a week because  
15 it's like I might have to like travel 24 hours. I'm  
16 like I'm dead and my mom is like food, food, eat. You  
17 know, an Airbnb like my landlord doesn't care if I'm  
18 traveling. He wants to have the money on time. So,  
19 if I'm traveling, I can't afford to pay over \$1,500  
20 for a ticket. I can't afford to buy gifts if I have  
21 to pay rent. Plus, if I'm not there, why not to  
22 share my home with people. I love my house and my  
23 people love my house. It's beauty, it's positive,  
24 it's-it's different. It's a nice option for people  
25 to have this ability. You know, bad things can

2 happen anywhere. It's—it's bad things and good  
3 things, but it's more about being good things about  
4 not being good—and meeting good people and bringing  
5 positive changes into your overall environment of the  
6 city, and not to being too corporate or commercial.  
7 That's it. Thank you.

8 PATRICIA GORDON: Good afternoon. My  
9 name is Patricia Gordon. Thank you, Chair Cornegy  
10 for this opportunity to testify here today before you  
11 and the Council Members of the Committee on Housing  
12 and Buildings. I was born and raised in East York.  
13 I have worked hard to live there to support my young  
14 daughter, and to live the American Dream. I'm here  
15 before you today because I've worked to make a good  
16 life for my family, but it's getting tougher. Every  
17 day I'm struggling. Housing costs are rising, and  
18 wages can't always keep up with the rising costs of  
19 living. It's hard to find affordable housing. There  
20 just never seems to be enough and what's worse is  
21 that we now have to compete with Airbnb and landlords  
22 who are breaking the law to line their pockets. I've  
23 seen and heard about people hoarding apartments not  
24 letting folks like me rent them because they can make  
25 more by renting them as short-term hotel rooms. Now,

2 there are not only fewer places to live, but the  
3 housing that's left keeps getting more and more  
4 expensive. I've seen the Airbnb ads. They look  
5 nice, very cheery and happy, but they don't tell you  
6 the real story about what's happening in our  
7 neighborhoods. They don't mention how the apartments  
8 they're using for tourists could, instead be used by  
9 a family like mine, and they certainly don't tell  
10 you that while they're raking in their profits,  
11 landlords use in their site are breaking the law, the  
12 law that was meant to protect our housing. We need  
13 to get tough and we need to stop allowing these law  
14 breakers to get away with—with it while everyone else  
15 suffers. The city should know who they are and be  
16 able to put them out of business. These landlords  
17 and the people renting our apartments for a living  
18 should have to pay for breaking the law. It's about  
19 time that Airbnb release their data so that we can  
20 finally stop these illegal hotels from taking over  
21 our neighborhoods and driving out hard working New  
22 Yorkers like me. I applaud the members of the City  
23 Council for taking on this extremely important issue,  
24 I encourage you to pass Intro 981. Thank you.



2 BOBBY CROWDER: Good afternoon, Chair  
3 Cornegy and members of the committee. Thank you for  
4 having me here today. My name is Bobby Crowder. I'm  
5 a renter in Brooklyn currently born and raised in  
6 Brooklyn, and I currently rent. I am here today to  
7 add my voice to the chorus New Yorkers supporting  
8 Intro 981. I am grateful to have this opportunity.  
9 I'd like to speak out against the landlords and  
10 investors who are driving up rents citywide by buying  
11 up housing units to use as Airbnb tourist rentals  
12 instead of homes and places to live for New Yorkers  
13 like myself. This greedy practice has real  
14 consequences, and for renters like myself, these  
15 landlords and investors get rich by displacing  
16 tenants and fueling gentrification. Regular New  
17 Yorkers like myself are left to struggle with higher  
18 rents and disrupted neighborhoods. The calculation  
19 to me is very simple: The more housing units taken  
20 off the units by these illegal commercial operators  
21 using Airbnb the less there for the rest of us. The  
22 apartments that remain become even more and more  
23 expensive. In cities like New Orleans, Chicago, and  
24 cities like San Francisco Airbnb already shares  
25 address and hosts information with city officials and

2 enforcement agencies, and it's time that they do the  
3 same with New York City. Airbnb should release the  
4 data, and comply with New York City and put an end to  
5 the greedy campaign that—to prevent the city from  
6 enforcing our housing laws. I want to thank Council  
7 Member Rivera and the 39 other Council Members who  
8 already sponsored Intro 981. It it's a thoughtful  
9 and clear solution to fighting back against the  
10 illegal hotel operators who are destroying our  
11 communities. I encourage you to pass this  
12 legislation. It's time for New York City to join the  
13 growing lists of cities around the world who are  
14 [bell] stepping up to Airbnb and making them do the  
15 right thing. Thank you very much.

16 KEVIN DWYER: Thank you Chair Cornegy,  
17 and the remaining members here of the Council. My  
18 name is Kevin Dwyer, and I live on the Upper West  
19 Side of Manhattan. For some time I've suspected that  
20 the apartment above mine was renting as an illegal  
21 short-term rental. After having enough of seeing the  
22 constant stream of new people coming and going from  
23 the apartment with suitcases, I found the listing on  
24 Airbnb. I informed the management company of my  
25 building, and sent them the link. They then

2 informed—the contacted the owner and then told me  
3 that the link to the listing had been taken down.  
4 However, despite this, the people continued to come  
5 and go from the upstairs apartment making noise at  
6 all hours of the night. I came to suspect that the  
7 real estate agent that was responsible for finding a  
8 permanent tenant for this apartment was also the  
9 person advertising it on Airbnb. I know her  
10 personally because she lives in the building. After  
11 one particularly loud guest was stomping around the  
12 apartment, I returned to Google for another search  
13 this time using the host's name. The search  
14 immediately popped up another apartment in the  
15 neighborhood being rented out on Airbnb, but unlike  
16 the previous listing of an upstairs apartment, this  
17 listing had a photograph of the house, and my  
18 suspicions were confirmed. I immediately recognized  
19 the host as my neighbor, the real estate agent for  
20 the upstairs apartment. She was using a fake name.  
21 I have an eight-month-old daughter and I do not feel  
22 comfortable having strangers with access to my  
23 building. My top priority is to keep her safe, and  
24 the possibility of an Airbnb guest copying the front  
25 door key and gaining access to the building whenever

2 they want, terrifies me. The constant worry and  
3 nuisance of having an illegal hotel operating right  
4 above our heads is endlessly draining and simply it's  
5 not right. I'm heartened by the Council's efforts to  
6 crack down on these illegal hotel operator. [bell] I  
7 want to thank all of you who have already sponsored  
8 Intro 981, and I encourage you to do whatever it  
9 takes to pass this legislation as quickly as  
10 possible. Airbnb's days of profiting by breaking our  
11 housing laws and creating tortuous living situations  
12 for New York renters must end now. So, again, thank  
13 you for listening to my testimony.

14 CHAIRPERSON CORNEGY: I do—I just want to  
15 ask you--

16 KEVIN DWYER: Yes.

17 CHAIRPERSON CORNEGY: So, OSE earlier  
18 testified that complaint generated inspections--

19 KEVIN DWYER: Uh-hm.

20 CHAIRPERSON CORNEGY: --are--what--what are  
21 primary in their pool.

22 KEVIN DWYER: Yes.

23 CHAIRPERSON CORNEGY: Did you--were you--  
24 did you know, too, or were you made aware that in the  
25

2 instance that you witnessed this you should make a  
3 report to 311?

4 KEVIN DWYER: I did 3—I did call 311,  
5 yes. Like I called—I—I reached out to a lot of  
6 different entities to make sure that this was going  
7 to get taken care of.

8 CHAIRPERSON CORNEGY: And what was the  
9 ultimate resolution.

10 KEVIN DWYER: I'm still waiting. I—I—  
11 it's---

12 CHAIRPERSON CORNEGY: How long has been  
13 going on your building?

14 KEVIN DWYER: I suspected back in January  
15 of this year. I know that the apartment was empty  
16 being looked at to be rented apparently from this  
17 real estate agent. Like I said, I have a-a  
18 relationship with her because she's a neighbor and I  
19 know that she rents that apartment. There was a leak  
20 from that apartment into my apartment in September of  
21 last year. At that point, it was—the—the apartment  
22 was empty, and then she had told me that she had  
23 found a renter for that apartment, which I believe is  
24 not the truth because again I've seen people coming  
25 in and out with these suitcases, and also because

2 Con-Ed has put a note on the building, the door of  
3 the building saying we don't have anybody on file for  
4 that apartment. We're about to turn your electricity  
5 off if you don't report who--who this is. So, there's  
6 no nobody there. It's a real estate agent who  
7 obviously knows what the laws are, they now have  
8 multiple dwellings within the neighborhood. I don't  
9 know how many more they have. Those are just the two  
10 that I found.

11 CHAIRPERSON CORNEGY: So, obviously the  
12 intention of the bill is to go after that--

13 KEVIN DWYER: Yes.

14 CHAIRPERSON CORNEGY: --particular person  
15 who would do that. So, that's a clear example of--of  
16 why, you know, the bill would make sense in bad  
17 actors and in removing units--whole units from--from  
18 the market place.

19 KEVIN DWYER: Yes, absolutely. Yes,  
20 she's--she's keeping it off the market so that she can  
21 profit off it. You know, I understand people with  
22 one and two--

23 CHAIRPERSON CORNEGY: Right.

24 KEVIN DWYER: --dwellings. Yeah, I  
25 understand.

2 CHAIRPERSON CORNEGY: But--so I just  
3 wanted for the record to--to be clear and to reflect  
4 what we as a committee intend to do and the intention  
5 of the legislation on behalf of my colleague who had  
6 to step out, I mean if she was here she would  
7 probably this is a--his is a perfect example of the  
8 necessity for--in the event that you or your family  
9 feel unsafe because you didn't--you didn't--basically  
10 you didn't rent there knowing--feeling like that was  
11 going to be a transient situation. You felt like  
12 there would be some stability in your building and--

13 KEVIN DWYER: Yes.

14 CHAIRPERSON CORNEGY: --you know, doing--  
15 doing that. So, I want to--

16 KEVIN DWYER: [interposing] Absolutely.

17 CHAIRPERSON CORNEGY: --thank you for  
18 your testimony--

19 KEVIN DWYER: Thank you.

20 CHAIRPERSON CORNEGY: --and I hope that  
21 there's resolution in--in your building.

22 KEVIN DWYER: I do, too, yes. Thank you.

23 CHAIRPERSON CORNEGY: Thank you. We're  
24 going to call the next panel. Liz Longo, Joy

2 Williams, Anicia Alli and Michelle Yates.

3 [background comments, pause]

4 LEGAL COUNSEL: Darren Dorsey and  
5 Victoria Grice. No? Darren or Victoria? How about  
6 Jemma Valle, Chris Odene. [pause] No Gemma, no  
7 Chris? Delroy Webb. [pause] Danielle Vierra.  
8 [pause] Ernie Delgado, Mario Ducoudray, Angela  
9 Baptiste, Chad Lange, Kate Schuler, June Broxton.  
10 [pause]

11 CHAIRPERSON CORNEGY: Sorry about that.  
12 You can begin your testimony after you just for the  
13 record state your name.

14 JUNE BROXTON: It's on?

15 CHAIRPERSON CORNEGY: Yes.

16 JUNE BROXTON: My name is June and I live  
17 in Harlem. I have a three-family townhouse. I just-  
18 I just give minutes ago said I need to speak because  
19 I'm up here hearing things that I feel like the  
20 Council doesn't know the whole story. I'm a part-  
21 time realtor, and I work with people who make six  
22 figures looking for apartments. They come up to  
23 Harlem and other areas looking for a \$2,000 apartment  
24 when they make \$200,000. That's what's taking away  
25 apartments in our neighborhoods. There's people who



2 make money and they don't to buy the expensive  
3 apartment so the people make \$80,000 and less what  
4 are they left with if the \$2,000 apartment went to  
5 the person who makes \$200,000? So, that's part of  
6 the issue with our apartments and affordable housing.  
7 Another thing I wanted to point is the professional  
8 tenants. We as landlords we have tenants come in  
9 here and they know how to use the law to get away  
10 with staying in our apartments for months without  
11 paying rent. Not only do the courts side with them,  
12 they also provide them attorneys a lot of times to  
13 fight us and then we small homeowners with three-  
14 family houses, townhouses, we have to get up the  
15 money to pay our own attorney when we don't even  
16 have—we haven't received rent from them for months.  
17 And on of the things that a lot of tenants use they  
18 used to use the—I had bed bugs when they're behind  
19 and not paying their rent, they start reporting you  
20 to 311 saying they have bed bugs. Now, they will  
21 report you and say oh, she's doing Airbnb or  
22 something like that and have us be harassed. Because  
23 I had a tenant up there and I told them they couldn't  
24 do it, and I told them what had happened when I got  
25 rid of one of my other tenants. She used the Airbnb

2 excuse. So, they use the same thing, and I don't  
3 think that's fair because you guys come out  
4 automatically. It could be anybody lying, any  
5 neighbor who has a grudge against you because have a  
6 fancy car or whatever. Anybody could call 311 on  
7 you. That doesn't mean it's true. So, I want to  
8 point that out. Originally when I first started  
9 doing Airbnb, I did it in a one-bedroom apartment. I  
10 did do it, but then the law came out saying you can't  
11 do it, and Airbnb shut me down. They shut my-my  
12 listing down, and I haven't been able to use it since  
13 2015 or 16 or whatever. So, that's some parts that  
14 you don't know about. They did go through the system  
15 shutting people down, and as much as I thought they  
16 liked me, they didn't care. They were like it's  
17 illegal to shut her down, and that's what they did.  
18 So, what else? I wanted to make sure I touched upon  
19 some things, because I think it's not fair. I think  
20 that's about all of it because everything else that a  
21 lot of the—I don't like being put in the same  
22 category as somebody who has a 100 units somewhere. I  
23 have three little units. I live in mine and I have  
24 the other two. I went through a nasty divorce. I  
25 did everything I could to keep my house and Airbnb

2 saved me from losing my house. They definitely did,  
3 and another thing, which I don't know about, so many  
4 times when these people come from other countries it  
5 helps us live through them because we may not ever  
6 get to visit that country. So, you get to live  
7 through these people, and I take them to my  
8 neighborhood. I take them to Red Rooster. They love  
9 going there, but I also take them to my church, and I  
10 had two of my Airbnb guests join my church, and they  
11 wanted me to be there. One of them got baptized, and  
12 so when she's in Paris she's at her church or when  
13 she comes to Harlem she comes to my church. So,  
14 they're--

15 CHAIRPERSON CORNEGY: [interposing] I'm  
16 sorry—I'm sorry a big shout out to your pastor. What  
17 church is that?

18 JUNE BROXTON: Oh, great. [laughter]  
19 Reverend Black. I haven't said anything.

20 CHAIRPERSON CORNEGY: Okay.

21 JUNE BROXTON: But I have brought them  
22 there. There's a restaurant, Harlem's Best and  
23 they'll tell you June always comes in there with her  
24 guests. I bring my—I bring my guests to my community  
25 and I make sure they spend in my community. It's—it's

2 how it's always been. I mean that's how it should  
3 be, and there are people who I'm going to say they're  
4 in the arts because there was a lady who did a play  
5 over at Harlem Hospital, and she needed a place to  
6 stay. She couldn't afford \$400. Everybody is  
7 calling me, June, you got that room? Can you let her  
8 stay in there? We didn't go through Airbnb, but I  
9 helped her out. She was a sister and come to find  
10 out we knew a lot of people had comments. So, she  
11 was family at that point. You know, so we help each  
12 other and that's what we do. You can't tell people  
13 that I'm spending all this money paying this  
14 mortgage, and killing myself, and you're telling me I  
15 can't have somebody in there. You can't charge your-  
16 your nephew rent if he stay you. I was like are you  
17 kidding me, and that's what when I called the Office  
18 of Special Enforcement, that's what they were trying  
19 to tell me, and they came to my house bullying my  
20 neighbors and-and my tenants, regular tenants. I  
21 deal with Columbia students mostly now since I  
22 stopped doing the Airbnb, but I want to go back to  
23 doing it. I want to do it. That's why I'm fighting  
24 for this law because I need it. I really do-I-I-my  
25 heart it was too much going to court with four

2 different tenants who abused the system and used it,  
3 and they got away with owing me thousands, tens of  
4 thousands of rent money I did not get from them  
5 because the courts allowed to get away with it. Gave  
6 them a free month here, two months here, and they  
7 just—the system is so unfair to small landlords or  
8 small property owners or whatever. Small property  
9 owners not 100 units or less. A small property owner  
10 is four units or less, and we should not be in the  
11 same category of these big developers and stuff.  
12 It's very, very unfair. So, that's all I have to  
13 save.

14 CHAIRPERSON CORNEGY: Thank you so much  
15 for your testimony. Tell Reverend (sp?) hello.

16 ERNESTO DELGADO: [off mic] Hi, how are  
17 you? My name is [background comments] Yeah, I'm  
18 sorry, yes. [on mic] Oh, here? Okay. Hello, my  
19 name is Ernesto Delgado, and I am an architect. I  
20 was in school for seven years, and to the New Your-  
21 NYU because of design. Well, I—I took everything  
22 because I think it's in my—in my field, and I have a  
23 large business to design in the city. So, and that's  
24 how we started to Airbnb. The second point I'm sure  
25 you saw my name there with the surgeons, and she was

2 a regular lease for one year with the tenant and the  
3 tenant the first six months she—she didn't pay the  
4 rent, and we took her to the court, and for six  
5 months she was for free, and she needed to do that  
6 surgery and I paid he surgeon with my money what I  
7 make with Airbnb. And she didn't—if I did pay the  
8 surgeon, which cost a lot of money, she will die. I  
9 mean, and she was—I was calling her every night and  
10 she was crying, crying and crying because the tenant  
11 didn't pay the rent, and that's what, you know, this  
12 is a—this is a very real story, and I hear that it's  
13 what a lot of people would do with Airbnb.

14 ANICIA ALLI: Can you hear me?  
15 [background comments, pause] My name is Anicia Alli.  
16 I live in the Bronx. I'm currently a student. I'm  
17 aspiring to be a medical student. I'm currently doing  
18 my master' program at Einstein. Anyways, I have an  
19 apartment and run—I use the Home Sharing Profile  
20 platform to—to do two rooms. I'm not good at public  
21 speaking obviously. Sorry. [laughs] And basically,  
22 what it is is my mom passed away and I have four  
23 younger brothers, and so it's just me and my dad and  
24 we're basically running our business and because of  
25 my medical school—or I'm an aspiring medical student,

2 I have a lot of loans and tuition, and I want to be  
3 able to help my dad. So, Airbnb and other platforms  
4 have helped me provide some kind of income to my dad  
5 and help them out when I should be—well should be  
6 studying, and he's encouraged it, and it's helped all  
7 of us. I would like to say it's allowed me to earn a  
8 supplemental income to help my family with expenses  
9 and pay my tuition. It allows me to still earn the  
10 income without having to take out large federal loans  
11 and carry the burden to pay it back in the future,  
12 but I in no way claim to run a hotel room or try to  
13 compete with hotel organizations. I'm simply trying  
14 to stay with my family and help my family live  
15 comfortably while I'm going to school, and when I  
16 think of home sharing platforms, I do not think about  
17 how it only benefits the host, but I think about how  
18 it benefits our community as a whole. Yeah, it helps  
19 my family and helps us relieve some of our financial  
20 obligations, but it also invites others to explore  
21 parts of the Bronx, aside from the major attractions  
22 like the Bronx Zoo or Botanical Gardens, and it's  
23 helped us. Whenever someone asks us for  
24 recommendations, we always direct them somewhere in  
25 the Bronx whether it's restaurants or spas or

2 anything else, and that same money that they're  
3 spending rather than going to some corporation and  
4 spending it, we're spending it in the mom and pop  
5 shops and bringing [bell] that revenue back into the  
6 community, and I think that's really good because  
7 it's helping everyone not just me and my family, and  
8 also want just say that because of my family  
9 situations, I can travel and I can't, you know, go  
10 and see other places. But with Airbnb I've hosted  
11 people all around the world, and it's helped because  
12 it broadens my perspective. It helps me out. I  
13 learn about them and they learn about us, and I think  
14 that's really important because I don't know when  
15 I'll be able to travel. I hope I do one day, but  
16 that's not my case right now, and it brings it back  
17 to my home in a way that's easy for me and easy for  
18 my guests as well, and I've also gained so many  
19 insightful information, advice and opportunities in  
20 the healthcare field that I otherwise wouldn't have  
21 had. Like I just got an internship at Montefiore  
22 because a nurse is staying with me, and she  
23 recommended me, and I was able to meet with the  
24 doctors. Like that would have never ever happened  
25 because my schedule is so jam packed providing for my



2 family and going to school and doing everything else.  
3 And I think favoring this bill, before favoring this  
4 bill, we should keep in mind that it's us choosing to  
5 share our homes, and we're not trying to make profit  
6 out of it. I'm just simply trying to help my dad,  
7 and my family because I do owe him that. Thank you.

8 CHAIRPERSON CORNEGY: Thank you.

9 JOY WILLIAMS: Hello. I'm Joy Williams.  
10 I had prepared remarks, which I submitted, but  
11 because of what was said before, I'll change some  
12 things. So, I moved to Harlem when I went to  
13 business school in 1999, and I've been there every  
14 since. So, I started home sharing about five years  
15 ago. I'm very active in my community. I live around  
16 the corner from Assembly Woman Inez Dinkins, and I've  
17 spoken to her. So, the fact that you haven't heard  
18 from HSAA, actually means that your staff hasn't told  
19 you about us because we've had people reach out  
20 because we wanted to speak to you for some months  
21 now. So, and—and some of us, myself included go to  
22 Albany to—to speak and to talk to people, and to  
23 share their information. I think there are a lot of  
24 things that are happening here, and things that we—we  
25 have heard that are both comforting to know and then

1 disconcerting. So, one of the things that's  
2 comforting to know is that the Office of Special  
3 Enforcement wasn't directed to act that way. So, I  
4 went to the Mayor's Town Hall on August 2<sup>nd</sup>, told him  
5 that we were being harassed and me in particular, and  
6 he said, And it's unfortunate the law hasn't caught  
7 up and he gave me a number of a person to call who  
8 I've been calling since August 3<sup>rd</sup>. So, to say that  
9 I've been calling and alleging a point of harassment  
10 and that no one in the city is taking care of it is  
11 abominable. So, to me it's appalling that the city  
12 and Democrats in particular want to turn over  
13 information, data to the Office of Special  
14 Enforcement, and there is no oversight. So, I who to  
15 go to if the police—if I feel harassed by the police,  
16 but OSE that's ridiculous to me. I think there's  
17 some other things, and we need to look at this in an  
18 inclusive manner. When we talked about affordable  
19 housing, we only talk about Airbnb or we talk about  
20 NYCHA some place else or we talk about developers  
21 some place else, but the point and one of the things  
22 we wanted to do was to have a holistic conversation  
23 about housing because this doesn't make any sense.  
24 So, when we look at—when we—when we look at what's  
25

1 happening with Airbnb and with everything else on  
2 affordable housing because Airbnb is just a platform  
3 I use. They're a private company. So, clearly, I  
4 don't own stock in them, but—and then the other side  
5 and people always complain about then having \$30--\$30  
6 billion, but no one ever talks about the fact that  
7 Marriott has a \$50 billion market cap, and they're  
8 doing whatever they want including getting into this  
9 industry. Nobody talk about the Hyatt is operating a  
10 short-term rental in Manhattan right now, and I went  
11 through every single one of their listings and 93%  
12 are illegal according to the Office of Special  
13 Enforcement who I happen to meet with others of us on  
14 November the 16<sup>th</sup>, a Thursday in November after being  
15 harassed the second time by his office and knowing  
16 full well that have every intention of going after  
17 everybody. Basically, he said, as he said today well  
18 everybody is illegal. So, I think that we need to  
19 look at that and look at also the three-family homes  
20 like myself because a three-family home on the same  
21 block as something purchased by a developer who is  
22 turning multi-family units into single-family units  
23 getting rid of affordable housing, the house now  
24 costs—they bought four of them. One costs \$15,000 a  
25

2 month. I don't know who can afford that, and then  
3 really let's focus on the—the harassment. When the  
4 guy didn't get into my house, he turned away and  
5 said, We have other ways of getting into your house.  
6 He didn't say I was going to get a warrant. He  
7 didn't say anything to that nature. When I went to  
8 court and told the judge that, she said, I don't want  
9 to hear that here. Take care of it some place else.  
10 The question is where is it that I go? There's no  
11 place to go. So, thank you your time, and I have  
12 also submitted my remarks.

13 CHAIRPERSON CORNEGY: Thank you so much  
14 for your testimony, and I certainly look forward to  
15 working with SHA in the future. We're going to call  
16 the next panel. [pause] Victoria Grace, Brianna  
17 Affleck, Christa Fortucombe, Tucumba, and Linda  
18 Dameo. [background comments, pause] I'd like to also  
19 call Cynthia Norris and Edison Allu—Alulima, Cynthia  
20 Norris, Cleo Harper Phillips. Cleo Harper Phillips.  
21 So, again, if I can ask you just to state your name  
22 clearly for the record before you begin your  
23 testimony.

24 CLEO HARPER PHILLIPS: It's not that.  
25 Ah, ooh. I'm Cleo. I really wanted to give you a

2 little bit of background about me. I mean I've  
3 traveled the world and then I move to New York City  
4 because I think it's the greatest city in the world.  
5 I love sharing it. When I moved here, I could barely  
6 afford, and I knew that, and there was a reason why  
7 it's so expensive because everyone wants to live here  
8 because it's fantastic. That was over a decade ago  
9 about 15 years ago. Every year my rent goes up and  
10 up and up. My bills go up and up and up, my  
11 Internet, my Con-Ed up, up, up, up. My wages are the  
12 same as they were 15 years ago. They haven't  
13 changed. So, every year it squeezes, squeezes,  
14 squeezes. Before I started welcoming guests into my  
15 second bedroom, I applied four times for affordable  
16 housing, the, you know, the lottery thing. Now, I  
17 probably one thing now. I applied for times. I  
18 didn't win the lottery. No, I applied four times and  
19 I was rejected each time because I didn't make enough  
20 money to qualify for affordable housing. I-I ran  
21 them up in the end. I said look I can give you my-a  
22 letter from my landlord to show that I'm currently  
23 pay three times the rent that I'm applying to ones we  
24 have to pay. I have paid that every month either on  
25 time or a week early. So, I can prove to you that I'm

2 a good tenant and I pay my rent. No, that doesn't  
3 matter. You don't make enough income to afford—to be  
4 able to qualify for the lottery to even play the game  
5 to try and get affordable housing. So, the question  
6 I—as well as being—loving what I do, but I want to  
7 open a bigger discussion about what is happening  
8 about affordable housing because what I see happening  
9 right here is we go after the little guy. We go  
10 after all the people who were just welcoming one—I—I  
11 totally agree with one resident, one listing.  
12 That's—as far as I was though about was the policy on  
13 Airbnb. That's what they've always said, you can  
14 only have one listing. We're all here against bad  
15 actors. We're all here with people with 10, 50  
16 listings. We all hated that—that situation on 47<sup>th</sup>  
17 Street. I read about that. That's absolutely  
18 disgusting. Nobody wants that. We all want to shut  
19 those people down, but what I want us to know is  
20 after you've gone after the little guy and after  
21 you've cleared out the possibility to people like me  
22 to be able to make my rent because I got to a  
23 situation where—where it was Airbnb or leave the  
24 city. That was my option. So, when that's been  
25 done, this alleged 10% that of housing stock that's

2 going back into the—which I don't believe and this  
3 alleged money that's going to go back into the system  
4 is that going—I want to see that actually result in  
5 affordable housing because I don't see that. What I  
6 see happening is we clear out the little guy and then  
7 the Marriott and the Hyatt and all other big chains  
8 make way more money because then now their hotel  
9 rooms are more expensive. So, now they're making  
10 more money. So, now they want to buy more stock, and  
11 now if Airbnb is a problem, then why is every  
12 building in my neighborhood being built into a  
13 skyscraper condo that I can never even dream of  
14 affording of a hotel. [pause]

15 ADDISON ADA LEMA: [coughs] Hi, guys. My  
16 name is Addison Ada Lema. I live in Queens. I've  
17 lived in Queens my whole life. I was born and raised  
18 here. My dad is an immigrant from Ecuador and he's—  
19 he bought his own house like after 20 years of  
20 savings. He lived in Queens. We lived together and  
21 he is a host of Airbnb, and prior to this we've had  
22 like pretty problematic tenants who have like stayed  
23 there for months on end without paying and then at  
24 the end of that reported us to investigators for  
25 like—for whatever reason, and we've gotten fined for

2 like not having fire extinguishers or having like a  
3 second fridge on the second floor. We own a two-  
4 family house, and so we started renting on Airbnb our  
5 extra room on our floor because we're putting my  
6 sister through college, and my mom has been like  
7 looking through like community groups and Airbnb and  
8 hearing stuff about being harassed by investigators  
9 because of having listings on Airbnb and they've been  
10 on edge because of that and yeah, I'm—I'm also in  
11 favor of shutting down bad actors and sensible  
12 legislation, but I—at the same time I would also like  
13 to have the legislation account for the small person.  
14 Being a host on Airbnb has been very valuable to my  
15 family. It's helped us with our homeownership.  
16 There's a lot of people that have homes that can't  
17 afford them or just people that have trouble paying  
18 the bills and Airbnb has provided a stream of revenue  
19 for us. Yeah.

20 CHAIRPERSON CORNEGY: So, I was just  
21 going to reference my legislation and hopefully and  
22 active would protect you and your family as a—as two-  
23 family residence from enforcement. So, I'm just—I'm  
24 going to keep pushing that.

25 ADDISON ADA LEMA: Okay, thank you.



2 LINDA DAMEO: Hi, my name is Linda and  
3 I'm a senior obviously. I have a limited income and,  
4 of course, I'm doing this because I want to  
5 supplement that income and remain in the place where  
6 I've been for the last 33 years. Prior to being in  
7 this place for 33 years, I was living in New York for  
8 an additional 40 years. So, you do the math. You  
9 know how old I am, but the reason why I'm raising  
10 the—my age is because, you know, this issue of  
11 affordability, affordable housing it's like it's a  
12 new thing. It's not a new thing. Anybody's been  
13 over 40 years old knows that number one, finding a  
14 place in New York has been extremely difficult and  
15 number two, having an affordable place is even more  
16 difficult, but I would like to second what so many—  
17 two or three other people have said, I personally  
18 feel as if Airbnb is really unfairly targeted.  
19 That's why I'm here. I have used Airbnb as a guest  
20 and also as a host, and I'm not sure if you're  
21 familiar how it works, but in order to be a guest you  
22 have to be vetted. You have to say something about  
23 yourself. You have to provide—sometimes. It's  
24 optional to provide documentation of who—of who you  
25 are with a passport or a driver's license and then

2 people review who—what you—how you have been as a  
3 guest and vice versa. The Guest reviews the host,  
4 and if there's anything that is negative that is  
5 brought up to Airbnb as one person indicated, you are  
6 out. You're finished. You're never going to get an  
7 apartment on Airbnb again. So, I personally as if  
8 Airbnb has been [bell] unfairly accused and  
9 egregiously. So, I would like you to take that into  
10 account when your hear—after you've heard some of the  
11 testimony by some of our senators and Council people  
12 that I don't know—Oh, I'm wondering if perhaps the  
13 hotel business may be behind all of this, and that's  
14 why it's getting the press that it is. It never got  
15 this—it never had it before, and most people love  
16 Airbnb who have had that experience with them.  
17 That's my—that's it.

18 CHAIRPERSON CORNEGY: So, so, so, I want  
19 to say to you one of the—one of the ways that I've  
20 heard from hosts and guests characterize Airbnb as  
21 being a niche market meaning that I'm wondering if  
22 any of you agree that the person who prefers to say  
23 in an Airbnb and get a more authentic experience may  
24 not be the same person who would alternatively stay  
25 at the Ritz Carlton?

2 LINDA DAMEO: Well, I think that the  
3 person who goes to an Airbnb can afford an Airbnb,  
4 and cannot afford the Ritz Carlton. So, I think  
5 that's another thing. It's affordability in addition  
6 maybe there are other benefits to a personal benefit.

7 CHAIRPERSON CORNEGY: Well, so—but I'm  
8 curious, I'm curious as to whether or not stays in an  
9 Airbnb are based solely on cost or that's the type of  
10 personality of a—of a—of a person.

11 LINDA DAMEO: Okay so. Okay, just bear  
12 with me one second--

13 CLEO HARPER PHILLIPS: [interposing] I  
14 would say to get a buzz.

15 LINDA DAMEO: --because I just want to  
16 just read something to you.

17 CHAIRPERSON CORNEGY: While she's finding  
18 it you can ahead and--

19 LINDA DAMEO: No, no, I've got it.

20 CHAIRPERSON CORNEGY: Okay. [laughter]  
21 Sorry, sorry.

22 LINDA DAMEO: Okay. So, she's seeing my--  
23 my--the end of it. My aunt and uncle had plenty of  
24 time go off on their own and enjoyed the friendly  
25 catchups window of a breakfast. All in all it was

2 the kind of warm and personal experience they would  
3 never have had at standard hotel and exactly what  
4 Airbnb is at its best. So, that basically tells you  
5 and I just want to say one other thing about Airbnb  
6 because I've had to call them not being the most  
7 technically brilliant person.

8 CHAIRPERSON CORNEGY: [interposing] I  
9 can't tell.

10 LINDA DAMEO: I've had to call the—  
11 they've always been incredibly respectful, honest,  
12 full of integrity and I—and I've called them quite a  
13 number of times I would say, and I always have the  
14 impression that when you have that kind of  
15 interaction at the lower echelon. It's—it's—it means  
16 that it's run with integrity at the top, and I want  
17 to say one other thing. I don't want to disclose my  
18 privacy. I don't want to disclose—I don't want to  
19 disclose any personal information, and if that's  
20 what's necessary for this bill, I'm against it.

21 CHAIRPERSON CORNEGY: Okay, thank you for  
22 your testimony. Oh, wait. I'm sorry. Did you want  
23 to respond to my question?

24 ADDISON ADA LEMA: I would also like to  
25 respond to your question. I do agree that it's a

2 niche market. Ever since I could travel say like 18  
3 years old I've always used Airbnb. I've never used a  
4 hotel. I prefer to have it that way. I think as a  
5 Millennial or this is the era of the sharing economy.  
6 So, there's things like Uber, Lyft, Airbnb. These  
7 are new technologies that I feel people are always  
8 scared of new technologies like say like when the car  
9 replaced the horse carriage and there are probably  
10 people that were against cars back then, and these  
11 people that opposed these new technologies are  
12 usually always on the wrong side of the history, and  
13 I think that this is a way of--

14 CHAIRPERSON CORNEGY: I want—I want to  
15 caution you those are very Millennial [laughter]  
16 those are very Millennial things to say. [laughter]  
17 So, I—I just want to caution. You can proceed.

18 ADDISON ADA LEMA: Yeah, so, I just—I  
19 think that we do need to embrace innovation or we'll  
20 get left behind, and that yeah, I'm not opposed to  
21 smart legislation.

22 CHAIRPERSON CORNEGY: Thank you. I do  
23 value the perspective of what the future of the city  
24 may look like, and so, your—your voice and the voice  
25 of young people and Millennials I think is important

2 as we actually go forward from a business  
3 perspective. So, it's—it's very important to hear  
4 your perspective. So, I—I spoke to some young people  
5 and I was having a conversation about purchasing  
6 their cars, and it seemed foreign to them that they  
7 would buy a car when they could just get a Zip Car,  
8 and I was kind of like with all due respect what is a  
9 Zip Car? And they were like no one buys—they  
10 literally said to me, nobody buys cars any more  
11 because we can share a vehicle and share the expense  
12 of a vehicle, and to—to a whole segment of our  
13 society that seems more intelligent to do than to  
14 bear the burden of something that you're not going to  
15 use all of the time. So, this seems to be a mindset  
16 shift in terms of the shared of sharing economy that  
17 is indicative in the success of a platform based  
18 business like an Airbnb. Yes.

19 CLEO HARPER PHILLIPS: I think there was  
20 a gentleman earlier that travels a lot and that's a  
21 very similar thing, right? Some of us rather than  
22 leave a completely empty apartment for, you know, two  
23 weeks while we go traveling, the refrigerator is  
24 running, the WiFi is running all of that stuff,  
25 environmental and financial costs. Again, it's a

2 sharing economy like there are—we get that there are  
3 people who are doing this and having profits and bad  
4 actors. But there are also people who are just  
5 sharing.

6 CHAIRPERSON CORNEGY: Thank you.

7 VICTORIA GRICE: I'm up? [laughter] Hi,  
8 last but not least. My name is Victoria. I have an  
9 authenticity story and I've been listening to  
10 everything that the Council has discussed about right  
11 to revenue and other options other than the two bills  
12 that have been presented. So, I'm very interested in  
13 hearing about the rest of that. I currently live in  
14 the house that I grew up in. My parents were very  
15 involved in the—in the community in the West Village.  
16 The West Village. The West Village Preservation, the  
17 Civil Rights Movement. As a matter of fact, they  
18 were on these steps many times protesting. There's a  
19 story that they actually changed my diapers on the  
20 steps of the City Hall during a protest.

21 CHAIRPERSON CORNEGY: [off mic] Don't  
22 say—don't say that.

23 VICTORIA GRICE: [laughter] I just had to  
24 get that in. My father worked with Jane Jacobs, was  
25 President of the Greenwich Street Block Association.

2 I have a long family history legacy in my  
3 neighborhood, which is the West Village. I cared for  
4 both my parents in the home until they passed away in  
5 2013, and then I found myself responsible for  
6 maintaining the house, which is a home, a two-family  
7 home. In March of 2016, I lost my job. So, there  
8 were many surprises around the corner. I was always  
9 employed. I found myself responsible for the bills  
10 the rising bills and since 2016 I've been seeking  
11 full-time employment without any luck. Being over 50  
12 I've been unable to find a job. I found myself  
13 between a rock and a hard place. Many of my friends  
14 are in the same position that I am in due to ageism  
15 in the job market. As the job market has  
16 substantially changed so have businesses [bell] as we  
17 know it. Unique and community driven ideas such as  
18 Airbnb have saved me. Airbnb has given me the  
19 opportunity to keep my home, pay my high taxes as  
20 they keep going up, insurance, utilities, water bill  
21 put food on my table. Without Airbnb I have no idea  
22 what I would do. Many of my friends are in the same  
23 situation. I started Airbnb in the spring of 2016.  
24 Since then, I have met the most amazing people in the  
25 community. I love meeting them, taking care of them,



2 giving them a comfortable space so they can  
3 experience New York. As an Airbnb host, I'm  
4 promoting local community small businesses,  
5 restaurants in the neighborhood as I give  
6 recommendations to all my guests. Airbnb gives  
7 families the opportunity to experience New York and a  
8 neighborhood like the West Village as—in a unique  
9 affordable and special way. By sharing my home,  
10 families that otherwise would not be able to visit  
11 can experience and live in the city that I love so  
12 much, and I'm very proud of. It would be a great  
13 loss for me if I could not host on Airbnb. It has  
14 given me a new life, has allowed me to live in the  
15 city that I love and to share my space with an  
16 amazing community of friends.

17 CHAIRPERSON CORNEGY: Thank you for your  
18 testimonies. We are going to call the next panel.  
19 Destiny Davis, Sarah Meade, Sandra Minor, and Carol  
20 Williams. [background comments, pause] Can I have  
21 Dianne—Dianne M. Trackle? I apologize and Alantis  
22 Goth, [pause] Florence Viscara, Linda Dameo, Daviko  
23 Shamlakana. (sp?) Lori [laughter] It feels like a  
24 jackpot winning but it's not so much. Okay, ladies,

2 I just want to remind you to please state your name  
3 for the record before you begin your testimony.

4           DAVIKO SHAMLAKANA: Thank you, Chair and  
5 Committee Counsel. We will have three other panels  
6 left. I appreciate very much for allowing us to  
7 speak. I lived in Manhattan for 37 years. I lived  
8 in Harlem for 17 years, and I rent—I've been having  
9 the guests for many years and I started my home  
10 sharing about four years ago. My first house I rent  
11 out one apartment just to try. Then, I think that  
12 the reason that the home sharing became very popular  
13 because there three—if you remember, it was the year  
14 that there's a big box in the hotel. So, there's a  
15 lot of demand that come to the homeowners. So, I try  
16 every way. I also have a background in economics and  
17 business administration and also I have a license in  
18 real estate. So, I'm very familiar, we lived there  
19 for 40 years in Manhattan. I'm very familiar with  
20 all the regulations, housing. I was a tenant, I was  
21 a landlord, I was a co-op owner, a condo owner and  
22 homeowner. The reason why we're here because in the  
23 winter time there is no business. There is no  
24 business for hotel, there's no business for bed and  
25 breakfast. There was nobody in town. No, this is

2 the spring time, summer times so we were fighting.  
3 Instead of fighting, why don't we make New York City  
4 number one best destination in the world? We're  
5 right today we're number 8. We're behind Bangkok  
6 where I came from, and I know about hospitality very  
7 well. Everybody wants to go there, and I don't know  
8 where have you been if you haven't used Airbnb.  
9 [laughs] I went to Japan. I used Airbnb because I  
10 want experience with culture. I want to see how it's  
11 like to bathe like the Japanese, how to sleep on  
12 tatami mat. The same thing. [bell] The tourists  
13 coming here, they want to experience what Harlem is  
14 like. I live in Harlem. It's in the District with  
15 Bill Perkins—City Council Bill Perkins. We are the  
16 home of gospel and jazz just the same as Brooklyn. I  
17 love everything about New York City. I spend about  
18 20 minutes of my time being a great host. By the  
19 time the 20 minutes I give orientation to my guests.  
20 They're ready to spend the money in Manhattan in New  
21 York City. They're ready to explore the museum,  
22 they're ready to go to the—they know how to use the  
23 subway. They know how to use the bus. The hotel  
24 cannot offer that experiences. Now, this one was  
25 particularly. I have three tenants—three guests that

2 ask me about—interested into investing in New York  
3 City, two of which willing to purchase the property.  
4 Now, if you—I walk on the street every day. If you  
5 go around on the Upper West Side and the Upper East  
6 Side, 25% of the stores are closing down, the  
7 restaurants are closing down, but not in Harlem.  
8 Harlem has a great historic district, but it's not  
9 easy for us the homeowner to keep. I'm a minority,  
10 I'm a woman. The bank doesn't give me the—doesn't  
11 give me equal opportunity in lending, and I think  
12 that the most problem I have is not hardworking. I  
13 work two, three, four jobs. The problem in Harlem and  
14 I'm sure what all the homeowners right are facing is  
15 predatory lender, and I think like—I really like it  
16 to focus on that on that one. I also want to express  
17 that if the city would address the issue of how to  
18 legal your property to become B&B, and ratings just  
19 like the restaurant business, if you rate it A, B, C,  
20 D and give more incentive instead of penalize, you  
21 know, all kind—come up with all kinds of regulations.  
22 I don't think that's an issue to encourage. Three  
23 out of five houses that—townhouses in Harlem—Center  
24 Harlem I'm talking about, which I walk every day, run  
25 bed and breakfast. You can call them illegal, but

2 they were there grandfather granted. A lot of them.  
3 Now, my understanding is New York State has  
4 regulation or sort of regulations regulating bed and  
5 breakfast, but not New York City until recently the  
6 last few years. So-

7 CHAIRPERSON CORNEGY: [interposing] No,  
8 we're-we're currently with my colleague from Consumer  
9 Affairs trying to get a classification. There's no  
10 classification on the city level for bed and  
11 breakfasts even though there are several very good  
12 actors who are paying their taxes. So, the  
13 Department-ironically the Department of Finance has a  
14 classification and they're paying their rent. I mean  
15 they're paying the-the tax on it, but there's actual  
16 classification on the city level. On the state  
17 level, as you mentioned, there are classifications on  
18 the city level. So, we're working on that right now,  
19 and-and my demand was also to not-not to enforce  
20 laws while we don't have a classification that's-  
21 that's crazy so--

22 DAVIKO SHAMLAKANA: Well, taxes are not  
23 the issue. There are five taxes we have to deal  
24 with, and we're a homeowner and we're small operating  
25 business. We bear high costs than the hotels number

2 one, and—and just to calculating because, which I  
3 don't mind I'm—I'm—I have a license in New York City  
4 and New York operating a bed and breakfast. So, I'm  
5 one of the lucky ones, but a lot of my friends have  
6 trouble to understand it, and I'd like that to be  
7 more open. There's one last thing I wanted to  
8 mention. I can't remember. It is for the OSE, I  
9 like everybody to be equal. I think that they should  
10 have a right to inspect only the people that has bad  
11 reviews. The same with hotel. The hotel will also  
12 have, you know, there's a good hotel, there's a bad  
13 hotel. You know, hotel that consumer who's staying  
14 there leaving the ref—leaving the reviews that they  
15 have, pest problems, they have whatever problem it  
16 is. That will help you to—that cut a lot—that cut a  
17 lot of cost and run advertising in New York 1 or, you  
18 know, having a hotline how to make a lot of home-  
19 homeowners become legal B&B. Thank you.

20 CAROLYN WILLIAMS: Hello, my name is  
21 Carolyn Williams, and I'm a host on the Lower East  
22 Side. I've been a host for the past seven years. I  
23 just wanted to say that I probably will repeat a lot  
24 of—a lot of that the people have already said, but  
25 anyway Airbnb has been lifeline to me. At this

2 moment, I'm aging out of the job market. I can't see  
3 myself, you know, going out to find a job and doors  
4 will be like open at this stage in my life. So,  
5 I've—I've—that is one of the reasons why Airbnb is a  
6 lifeline to me, but it's also been a lifeline because  
7 it's taken through a lot of life experiences through  
8 like my husband's death. You know, I was able to  
9 fall back on Airbnb. It tool me through seminary. I  
10 was able to graduate, and to go on with my life  
11 somewhat, and I'm just making sure that I look at my  
12 notes because I don't want to forget anything. I'm  
13 going to make this—this is going to be very short. I  
14 would like to see laws established for the—not the  
15 bad actors but the good actors that are working with  
16 Airbnb because right now we really don't know where  
17 we stand. We need to—we need to have a guide—some  
18 kind of guidelines in the policy and the laws,  
19 alright to that we get—we know where we are, and we  
20 can—we're able to work, you know. Instead of like  
21 being—living in fear that, you know, these—you know,  
22 these people will come to your house at any time,  
23 alright. That's one—that's one of my concerns.  
24 Another concern is that the—you had said that the  
25 [bell] there were units that—that should be—okay,

2 there are two houses—there are two-family units that  
3 were—that were—they were fined. Are they able to be  
4 refunded their money?

5 CHAIRPERSON CORNEGY: [off mic] No,  
6 they're no. [on mic] So, no OSE reported today that  
7 if you have a two-family unit and you're using one of  
8 those units. So one of those units—so one of those  
9 units—units you're using that's illegal, and that was  
10 something that was noted today. So, no, they  
11 wouldn't be refunded because according to OSE you're  
12 actually operating out of compliance if you're in a  
13 two-family building and one of your units you use  
14 solely for Airbnb or a shared economy. So,  
15 unfortunately, prior to today I would have said that  
16 your answer—that yes we work on doing that, but  
17 according SE—OSE's reports today, that unit or that  
18 homeowner or that host is out of compliance by doing  
19 that.

20 CAROLYN WILLIAMS: By—by renting one  
21 unit?

22 CHAIRPERSON CORNEGY: By renting one unit  
23 in a two-family house solely for shared economy for  
24 that—for that platform. That's out of compliance.  
25 That's what was reported to us today.



2 CAROLYN WILLIAMS: May I ask why?

3 CHAIRPERSON CORNEGY: I will be following  
4 up to find out exactly why.

5 CAROLYN WILLIAMS: [laughs] That's it  
6 for me.

7 SANDY MINGO: Good afternoon. My name is  
8 Sandy Mingo. I live in East New York, Brooklyn with  
9 my daughter. We are members of the Home Sharing  
10 Association of America. We own a two-family house,  
11 and share the ground floor apartment. We started  
12 hosting August 2017 because we had a nightmare  
13 experience with a tenant who was from a shelter. She  
14 spent August 2015 to March 2017 with us, refused to  
15 pay rent after four months although she worked,  
16 smoked although it was prohibited, she turned our  
17 home—she tried to turn our home into a brothel. She  
18 threatened us and our neighbors daily.

19 CHAIRPERSON CORNEGY: [interposing] I'm  
20 sorry. What did you just say?

21 SANDY MINGO: She threatened us and our  
22 neighbors daily.

23 CHAIRPERSON CORNEGY: No, before that.

24 SANDY MINGO: Well, she tried to turn our  
25 home into a brothel.

2 CHAIRPERSON CORNEGY: Oh, okay. I wanted  
3 to make sure I heard that correctly.

4 SANDY MINGO: Yes. [laughter]

5 CHAIRPERSON CORNEGY: I'm not making  
6 light of it. I just—I really didn't hear you.

7 SANDY MINGO: Okay. The police and HPD  
8 were at our home almost every other day for unfounded  
9 reasons. I ask the city for help as they placed her  
10 in my home, but they refused to even speak to me  
11 after she was there. I spent all my vacation time in  
12 court. She was given a lawyer. I couldn't afford  
13 one. By the time we were able to get her out of our  
14 home, there was thousands of dollars in damage to our  
15 apartment. She flooded the home twice and upon  
16 leaving tried to burn our house down. We were left  
17 struggling trying to pay the mortgage. It took  
18 almost a half a year to get the apartment back to a  
19 place where I could allow anyone to live in it. All  
20 of my savings went repairing that apartment. My  
21 biggest fear is to rent to someone who would cause  
22 this kind of trauma again especially considering that  
23 the city puts her there and offered me no help when  
24 they—when she decided to make our lives a living  
25 hell. We decided to home share and this has provided

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2 us with the monies to pay for the rest of the  
3 necessities, light, gas and water. The neighbors are  
4 now happy because she bullied them as well. Home  
5 sharing is beneficial to our community adding new  
6 customers to spend their money in the shops and the  
7 restaurants of our area. We worked hard to buy our  
8 home [bell] and we should be afforded the decision to  
9 use—to use it the way we choose to and to allow who  
10 we choose to be in it when we choose to—when they  
11 choose to be in it. That's all.

12 CHAIRPERSON CORNEGY: Thank you.

13 LORI: Oh, I got it just to leave it.  
14 [laughter] Hello. My name is Lori. I am award  
15 winning licensed tour guide and an Airbnb experience  
16 host, which is new. As a black female guide and  
17 ambassador to the city's history, I make up one of  
18 the smallest demographics of the industry due in part  
19 to the stigma that a Caucasian male is more  
20 knowledgeable, clearly a notion I see to change. You  
21 see I America. As a Norwegian, Irish, English,  
22 Scottish, Nigerian, Jewish female--

23 CHAIRPERSON CORNEGY: [off mic] I'm sorry  
24 you're all those things. (sic)

25 LORI: Yes. [laughter]

2 CHAIRPERSON CORNEGY: Hold on.

3 [laughter] One more time a little slower.

4 LORI: I am America as Norwegian, Irish,  
5 English, Scottish, Nigerian and Jewish female, and  
6 only recently due to Airbnb have I had the  
7 opportunity to take part in the American dream  
8 becoming an entrepreneur. I started my own tour  
9 company after eight years of rejection due to my race  
10 and gender outside of all of my awards, only to run  
11 into the juggernaut Tour Company with the corner on  
12 the market especially in hotels the Concierge. I  
13 make my rounds. I proved moved worth and again  
14 rejection for being the little guy, the smaller  
15 demographic. A year later Airbnb experiences again I  
16 applied. The big guy believed in me, and in eight  
17 short months I am one of the top tours on the New  
18 York platform for the first time in 10 years. I'm  
19 working smarter. I'm more financially stable. I'm  
20 able to afford my rent. I'm doing what I love. How  
21 do I get people on my tours, Airbnb housing. They  
22 are my marketing, and I am the small business that's  
23 truly being affected now. I cannot count how many  
24 patrons have told me they wouldn't have been able to  
25 afford a trip to New York without Airbnb housing even

2 with the sacrifice of making their own bell. [bell]  
3 And they wouldn't have had he immersive experience of  
4 a local. With around 63 million tourists a year a  
5 severe decline in tourism would be one of the  
6 greatest losses to the city monetarily. Minimally  
7 there is a four-tier loss here from tourists to  
8 housing hosts to experienced host to the small  
9 businesses struggling to stay open that we all bring  
10 them to. This is a lifeline to the American Dream in  
11 one of the most expensive and toughest cities on  
12 earth. You see, the Airbnb host are the concierge,  
13 but they let the little guy in. My Airbnb managers  
14 are a decent breed of boss. They encourage my  
15 advancement and celebrate my diversity. My patrons  
16 are exposed to a new face of New York City history,  
17 which I sought to change in my industry. I did it.  
18 I made it. I matter. I am almost 40 and I think  
19 about future partner, my family often and the America  
20 we'll live in because of all the steps that I take  
21 today. To pass this Airbnb prohibition bill is so-  
22 such a direct threat to its legal hosts. We are  
23 Airbnb all of us. Not just a brown face that showed  
24 up here to pull on your heart strings, and we are  
25 living proof that one of the greatest parts of the

2 city can still thrive in tomorrow's America. The  
3 little guy, the entrepreneur me. Thank you.

4 CHAIRPERSON CORNEGY: So, I'm apologizing  
5 for the panels that have to go after her. [laughter]  
6 Generally this is when we end the hearing, but thank  
7 you so much for your testimony and thank—and thank  
8 you for actually adding in the entrepreneurial part  
9 of that. I don't think we've discussed that enough  
10 today. So, there are several components that the  
11 narrative has to, you know, talk about the social and  
12 cultural, the economic and—and now the  
13 entrepreneurial portion of this which—which makes for  
14 a well—a well rounded ecosystem and a potential for a  
15 new emerging economy that we need to look at as a  
16 city very closely. So, I thank you for your  
17 testimony.

18 DAVIKO SHAMLAKANA: Chairman, I just want  
19 to add that between two and three families are on the  
20 tax break, two and three families are the same. I  
21 mean I—it doesn't benefit me for anything, but I  
22 don't know why are we picking up two families. I  
23 think it was we should have picked up grandfather  
24 granted or whatever they have done before, before the

2 law become the law they should be able to do without  
3 paying tax.

4 CHAIRPERSON CORNEGY: Thank you.

5 DAVIKO SHAMLAKANA: You're welcome.

6 CHAIRPERSON CORNEGY: So, I'll call Lynn—  
7 Lynn Elliott, Devin Adams, which I feel like we heard  
8 from already. Michael Allen and Sandra Mingo.

9 SANDRA MINGO: [off mic] Yeah, I just was  
10 like up there.

11 CHAIRPERSON CORNEGY: Oh, she just went.

12 [background comments, pause] So, I'll start this  
13 again. Destiny Dee, Sarah Meade. [background  
14 comments, pause] Dave Polanco, I'm sorry Ray Polanco.

15 Is that you? [background comments, pause] Okay.

16 We're going to do double duty there, Ray. Carol  
17 Williams. Any who has signed up to testify, please  
18 just raise your hand if I missed you? Okay.

19 [background comments, pause] You have to just sign,  
20 make sure you sign up, and we're going to wait the 30  
21 seconds for you to sign up so you can join this

22 panel. You thought you were going to be by yourself,  
23 Ray. Sorry about that. [background comments, pause]

24 Oh, it was called? Can you just report in at the

25 table so you can join the panel as well? [background

2 comments, pause] Just—okay. So, just be prepared to  
3 give your name for the record. Thank you. Go, but no  
4 running. Demetri?

5 DEMETRI: [off mic] Yes.

6 CHAIRPERSON CORNEGY: Okay. So, if  
7 again, if you would just please state your name for  
8 the record before you begin your testimony.

9 RAY POLANCO: Hey. So, my name is Ray.  
10 I'm from the Bronx, and well like every other out  
11 there and do—I didn't start doing Airbnb because I  
12 said to myself well, I want to have strangers in my  
13 house. I can't wait. I started Airbnb because it  
14 was a time of hardship for me. During that time I  
15 lost my job so I didn't have any type of income.  
16 Airbnb was presented to me as a platform that I can  
17 use in order to keep myself afloat, and I decided to  
18 do it. Ultimately through Airbnb I learned a lot  
19 about myself because they say through  
20 entrepreneurship—entrepreneurship has a way of  
21 exposing your flaws to yourself. So I learned a lot  
22 about myself. I acquired many skills and it was all  
23 thanks to Airbnb and also in addition to that, I was  
24 able to create a community around myself because  
25 since I was a super host I was teaching other people



2 how to be hosts, and also reaching out to the  
3 community, people in the community like, you know,  
4 mom and pop stores. So, now when I send out business  
5 I get a bonus for that. So, it's creating whole  
6 ecosystem of people coming together and being  
7 entrepreneurs like, you know, we're meant to be, and  
8 what's interesting is that the data right now shows  
9 that 31% of people right now currently in the United  
10 States are freelancers, 31%. That number is going to  
11 grow to 52% I believe by 2025, and that's because of  
12 the economy going through this shift, but right now  
13 we're heading to the sharing time so people are  
14 moving in. Instead of just consuming, they want to  
15 be collaborative consumers meaning they want to be a  
16 part of—of what—of what the consumer. So, for  
17 example how to guess and to actually appoint new  
18 people with—that are looking for deals do Airbnb.  
19 So, that's absolutely wrong. That as one guy said,  
20 he, you know, he carried himself somewhere. So, I  
21 knew he was from money because you know, the way he  
22 carried himself. I said why—why would you do Airbnb  
23 because I'm assuming that you could probably stay in  
24 a five star hotel, right, and he said yeah, I could,  
25 but I want to [bell] experience the city the way that

2 you experience the city. I said, ah, so a little  
3 light bulb went off, and I thought to myself yeah,  
4 you know, this is—this is where the economy is  
5 heading to, and you know, because I do a lot of—a lot  
6 of research. The only way the hotels can compete  
7 currently with the business model is through laws.  
8 There is just no other way because Airbnb is just—  
9 just—just the whole sharing economy itself when it  
10 comes to sharing your—your—your space it's more  
11 efficient for a consumer. The only way the hotel can  
12 compete is through laws. I should have wrote some  
13 stuff down because there's so much to really talk  
14 about, but it's a lot of misconceptions that people  
15 have and I think that right now, Airbnb provides a  
16 platform where people can not only just keep  
17 theirselves afloat, but also acquire so many skills  
18 that's essential for you to process because the thing  
19 is that right now a lot of jobs are being shipped  
20 overseas, and those jobs are not coming back and  
21 those jobs are available. There's a lot of jobs that  
22 are available. The thing is that people don't have  
23 the skills to fill in these positions. It's not  
24 that—jobs are disappearing and going overseas, but  
25 new jobs are being created and people don't have the

2 skillsets to—to fill them. I kid you not, now by me  
3 doing Airbnb and learning all the skills that I  
4 learned through Airbnb and being entrepreneur, I can—  
5 I can spit some of these positions because they  
6 require new-new skillsets and disciplines that you're  
7 not going to acquire with the old system, the old  
8 model that we have currently. You know, I guess I  
9 want over my time too much so that's all I want to  
10 say.

11 CHAIRPERSON CORNEGY: No, thank you for  
12 that perspective. I think—I think it is important to  
13 add to add all of that. I—I hate that, you know,  
14 we're at the end of the hearing and these things are  
15 being introduced. I wish that everybody had an  
16 opportunity to hear how important some things that  
17 are, you know, intangibles to success—to the success  
18 of any business are now being introduced, and—and—an,  
19 you know, talk about sustainable markets and emerging  
20 economies and all those kinds of different things,  
21 what are the components going forward that are—that  
22 are going to be contributors to that and I think you—  
23 you kind of mentioned it. So thank you for your  
24 testimony.

25 RAY POLANCO: Thank you.

2           DEMETRI: Hi. My name is Demetri. What  
3 do I want to say? I think some things that I think  
4 has become more apparent today is that this whole  
5 issue is much more nuanced than newspapers of press  
6 or everyone is yelling about. From the single-family  
7 homes, two-family homes, three-family homes, which is  
8 what we have, and then, of course, the much larger  
9 much badder actors. The other thing, too, is it's  
10 not only Airbnb, I've been doing this for 12 years.  
11 We rent out my parents' apartment. They actually  
12 live in California. It's my brother and his wife and  
13 his daughter on the ground floor, me and my wife on  
14 the top floor and the middle apartment is my parents'  
15 apartment. So they come for about a month at a time  
16 three or four times a year. So, I—we rent it out in  
17 between. We've been doing it for all kinds of  
18 companies. Airbnb is only one of many. We did it on  
19 Craig's List. We only had good experiences all the  
20 time because I'm always there. I let people in. I  
21 show them around. Yeah, that's definitely working  
22 out great and that way we can afford our mortgage.  
23 Also, we're all musicians. We're freelance musicians  
24 or teachers. So none of us are really making that  
25 much money aside from my parents having a huge down

2 payment for the house. So, and then one other thing.  
3 Someone said something—I'm terrible at public  
4 speaking. I forgot what I was going to say. Anyway,  
5 like the main thing I guess is like the nuanced thing  
6 it would be great if we could actually somehow make—  
7 Oh, I know what I was going to say. More common  
8 sense laws that would somehow work with New Yorkers  
9 rather than the 2010 law that just said outright you  
10 can't do this, you can't do that. It didn't make any  
11 sense. I remember even at the time there was a B&B  
12 in Harlem like a six unit bed and breakfast that was  
13 run by one woman. I curious to know who it was, and  
14 all of a sudden, Albany said you can't do this, and  
15 she had to shut down. So, those kind of laws don't  
16 really make sense. We really need to work together  
17 as people. Everyone is happy to pay taxes on their  
18 income [bell] and on their—on their guests. I guests  
19 is not really the problem. I think that's it.

20 DARRELL WEBB: My name is Darrell Webb.  
21 I host in Staten Island. I got into the business  
22 after the business of hosting after negative  
23 experience with the regular rental. My tenants they  
24 were just horrible to the extent that a failure to  
25 pay me rent. The arrears came to \$11,000. I had to

2 take them to the court. I had to get it resolved.  
3 There was nothing positive there other than the court  
4 rule that that I can now get my keys back. I  
5 inquired about what about the money owed, the rent  
6 owed. They said you need to go to a different court  
7 to get that resolved. So that was little bit  
8 ignorance on my part. I said to the lawyer you had  
9 promised two representations to the courts. So, this  
10 second trip to the—my next court hearings that will  
11 be number two. The lawyer said to me no, this one is  
12 over. With that, I decided that I wasn't going to go  
13 to court to recover the \$11,000 owed. I was going to  
14 do something different, and in pondering and  
15 examining my options, Airbnb came on the scene with  
16 regard to—I'd hard about and I saw it advertised and  
17 I said let me check this out. My experience with  
18 Airbnb has been tremendous. They've been a very  
19 professional organization. I've had problems with  
20 tenants, guests as they're called and I've reached  
21 out to Airbnb, and I've had it resolved in a very  
22 professional and expeditious way. I am very  
23 surprised at the—the level of—of acrimony and—and  
24 negative bill back Airbnb, Airbnb's way based on the  
25 fact that my experience and I know. I've spoken to

2 other hosts. Their experiences have been very, very  
3 positive, and it [bell] to some extent I hope that  
4 this disappears ultimately. He part that I'm  
5 concerned about also is-is-is the fact there seems to  
6 be an arbitrary enactment of his, the laws governing  
7 the-the-the-this-this home sharing. I would, you  
8 know, advocate and hope that this single-family and  
9 the law that-that it's there on the books that this  
10 be honored. There's some amount of confusion when  
11 you read it. One gets the impression that you have to  
12 be lawyer to some extent to sift through and  
13 understand thoroughly what's there. So, my  
14 recommendation is that there should be clarity in the  
15 laws because I know those of us who are doing this-  
16 this hosting we-we-we're not older to break the law.  
17 We're law abiding citizens, and as such, would hope  
18 that there's clarity in the law so that we can rest  
19 comfortably that what we're doing we're doing it  
20 legally. Don't hurt us.

21 CHAIRPERSON CORNEGY: So, I want to thank  
22 you all for your testimony especially those who  
23 stayed the-the entirety. I-I want to offer this:  
24 That you shouldn't be discouraged because of these-  
25 these hearings are not held just for the sake of the

2 city's commitment to hear them. There are things  
3 that come out of them. I heard several things that  
4 I'll definitely be going back to the drawing board.  
5 There were interesting perspectives that were  
6 offered. I'm duly bound to chair a hearing with an  
7 impartial way of chairing a hearing, but certainly  
8 hearing from hosts and hearing from—I'm a—I'm a  
9 business major, and understanding emerging economies,  
10 and trying to capture different markets and those  
11 kinds of things were recurring themes. Although that  
12 language wasn't used, to me they were recurring  
13 themes for what we're seeing. So, I just wanted to  
14 let you know that I really appreciate your testimony  
15 today, but I want to remind you that the bills that  
16 are being heard were about transparency and  
17 disclosure more than anything else. So the—so the  
18 bill that's most presently on the table is for Airbnb  
19 to be able—to have to turn over the host information  
20 to OSE, right. So, so I heard everything everybody  
21 said, but please remember in your mind going away  
22 that that's the bill that is being heard and that  
23 will ultimately be voted on that can have a  
24 disproportionate effect on your ability to do  
25 business. All the other things that were said today



2 make a lot of sense as it relates to that, but the-  
3 what's being heard I just want to, you know, revisit  
4 the ideal that what's-what's being heard is-is this  
5 ability to for Airbnb to turnover host information in  
6 an effort to find out who may be a bad actor. So,  
7 that's the impetus of the bill. So, on behalf of  
8 Council Member Rivera, I feel compelled to say that.  
9 I think that the intent-somebody mentioned it before  
10 that sometimes there's disproportionate or negative  
11 aspect to a bill that may not have been though  
12 through. I know that the intent of the bill was to  
13 produce those bad actors, those people who are acting  
14 outside of the law but we do have to be mindful and  
15 make sure that the impact of that doesn't negatively  
16 impact good folks who are doing this and who are  
17 sharing their homes and who are-so-so that's the-  
18 that's the intent of the bill and the intent of this  
19 committee is to try and guard against an impact that-  
20 that was unforeseen in the formulation of the bill.  
21 So thank you so much. This hearing is officially  
22 closed. [gavel] [applause] Well, no one-no one has  
23 ever clapped for a hearing.

1 COMMITTEE ON HOUSING AND BUILDINGS

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 21, 2018