

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON LAND USE

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September 19, 2024

Start: 11:17 a.m.

Recess: 2:18 p.m.

HELD AT: 250 Broadway - Committee Room, 16<sup>th</sup>  
Floor

B E F O R E: Rafael Salamanca, Jr.,  
Chairperson

COUNCIL MEMBERS:

- Shaun Abreu
- Speaker Adrienne Adams
- Diana Ayala
- Joseph C. Borelli
- Selvena N. Brooks-Powers
- Amanda C. Farias
- Kamillah Hanks
- Crystal Hudson
- Francisco P. Moya
- Kevin C. Riley
- Carlina Rivera
- Pierina Ana Sanchez

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

Kim Darga  
Housing and Preservation Development

Ahmed Tigani  
Housing and Preservation Development

Brendan Cheney  
New York Housing Conference

Alysha Habib  
Chhaya CDC

Margy Brown  
UHAB

Jamie Smarr  
New York City Housing Partnership

Anthony Coker  
Neighbors Helping Neighbors

Matthew Dunbar  
Habitat for Humanity

Moses Gates  
Regional Plan Association

Kevin Wolfe  
Center for New York City Neighborhoods

Yoselin Genao Estrella  
NHS of Queens

1  
2 SERGEANT AT ARMS: Mic check, mic check, this is  
3 a mic check today's Committee on Land Use at 250 16<sup>th</sup>  
4 Floor. This is recorded by Walter Lewis.

5 SERGEANT AT ARMS: Will the Zoom host please  
6 start the webinar.

7 SERGEANT AT ARMS: Webinar started.

8 SERGEANT AT ARMS: Good morning and welcome to  
9 the New York City Hybrid Hearing on the Committee on  
10 Land Use. Please silence all electronic devices at  
11 the time. There will be no food or drink in this  
12 Committee Room. Also, please do not approach the  
13 dais. If you have any questions, please raise your  
14 hand and one of us Sergeant at Arms will kindly  
15 assist you. Thank you very much for your kind  
16 cooperation. Chair, we are ready to begin.

17 CHAIRPERSON SALAMANCA: [GAVEL] Alright, good  
18 morning and welcome to the Committee on Land Use. I  
19 am Council Member Rafael Salamanca, Chair of this  
20 Committee. I would like to welcome my esteemed  
21 colleagues who have joined us today. We've been  
22 joined by Council Member Moya, Rivera, Chair Riley,  
23 Majority Whip Brooks-Powers, Abreu, Majority Leader  
24 Farias, Hanks and Borelli.

1  
2 At today's meeting, we will hold a hearing on  
3 proposed legislation Intro. 952 sponsored by Council  
4 Speaker Adrienne Adams to address the city's efforts  
5 around expanding affordable homeownership  
6 opportunities. But before we get started at this  
7 hearing, the Committee will vote on a number of items  
8 voted out of our Subcommittees. As always, I want to  
9 thank Chair Riley and Chair Hanks for their work as  
10 our Zoning and Landmarks Chairs.

11 Today we will vote to approve with modifications  
12 LU's 138 and 139 for the 31-17 12<sup>th</sup> Street Rezoning  
13 Proposal related to property in Council Member  
14 Cabàn's District in Queens. The Proposal including a  
15 Zoning Map Amendment and related Zoning Text  
16 Amendment to facilitate the development of a new  
17 residential building with approximately 35 units of  
18 which nine would be affordable. A modification would  
19 be add the deep affordability option to go along with  
20 MIH Option 1. We will also vote to approve LU's 145  
21 and 146 for the 21<sup>st</sup> Street Rezoning Proposal which  
22 is located in Council Member Cabàn's District. The  
23 Proposal includes a Zoning Map and Zoning Text  
24 Amendment which together would facilitate the  
25 development of a new mixed use building with

1  
2 approximately 55 apartments. Where 24 to 28 of those  
3 units anticipate to be affordable units.

4 We will also vote to approve with modifications  
5 LU's 140 related to 250 86<sup>th</sup> Street Rezoning Proposal  
6 in Council Member Brannan's District in Bay Ridge  
7 Brooklyn.

8 The Proposal consists of a Zoning Map Amendment  
9 which will facilitate the legislation of a doctor's  
10 office within an existing building. A modification  
11 will change the Proposed R6B designation to an R5D  
12 designation. It will also modify the boundaries of  
13 the Proposed New District.

14 These modifications will ensure the rezoned area  
15 remains contextual with the existing surrounding  
16 building. Council Member Brannan supports this  
17 proposal as modified. As Chair Riley indicated in  
18 our Zoning Subcommittee, I'll not that LU's 141  
19 originally included as part of the 86<sup>th</sup> Street  
20 Rezoning Proposal was withdrawn by the applicant in  
21 writing on September 17<sup>th</sup>. Pursuant to the Council  
22 rules, 11.60B, the application under LU's 141 is  
23 void. And I now make a motion pursuant to Council  
24 rules 7.90 to file LU's 141 and remove it from the  
25 Council's calendar.

1  
2 We will also vote to approves LU's 143, an  
3 application submitted by the Department of Housing  
4 and Preservation and Development related to the  
5 Malcolm Shabazz Harlem Plaza project in Council  
6 Member Salaam's District in Manhattan. The Proposal  
7 consists of a request for an urban development action  
8 area designation, an urban development area, a  
9 project approval and the related disposition of city-  
10 owned property.

11 The action would facilitate the construction of a  
12 new mixed use building which will provide  
13 approximately 108 affordable housing units through  
14 HPD's extremely low and low income affordability  
15 program ELLA and provide for the renovation of the  
16 Malcolm Shabazz Harlem market.

17 We will also vote to approves LU's 144 for the  
18 designation of the Willoughby Hart Historic District  
19 in Council Member Ossè's District in Brooklyn. And  
20 finally, we will vote to approves LU's 147 related to  
21 an article and a tax exemption request for a  
22 residential development at 281-311 Marcus Garvey  
23 Boulevard, also within Council Member Ossè's  
24 District. The tax exemption will facilitate the  
25

1  
2 development of two new affordable housing buildings  
3 with a total of approximately 155 units.

4 I would now like to recognize any of my  
5 colleagues who have any questions or comments. I  
6 want to also recognize that we've been joined by  
7 Deputy Speaker Ayala and Council Member Hudson. I  
8 now call for a vote with the support of the local  
9 members to approve LU's 143, 144, 145, 146, and 147  
10 to approve modifications LU's 138, 139, and 140 and  
11 to file LU's 141. Will the Clerk please call the  
12 roll?

13 COMMITTEE CLERK: Good morning. William Martin,  
14 Committee Clerk, roll call vote Committee on Land  
15 Use, all items are coupled. Chair Salamanca?

16 CHAIRPERSON SALAMANCA: Aye on all.

17 COMMITTEE CLERK: Moya?

18 COUNCIL MEMBER MOYA: I vote aye.

19 COMMITTEE CLERK: Thank you. Rivera? Riley?

20 COUNCIL MEMBER RILEY: Aye.

21 COMMITTEE CLERK: Brooks-Powers?

22 COUNCIL MEMBER BROOKS-POWERS: I vote aye on all.

23 COMMITTEE CLERK: Abreu?

24 COUNCIL MEMBER ABREU: Aye.

1  
2 COMMITTEE CLERK: Thank you Council Member Abreu.  
3 Farias?

4 COUNCIL MEMBER FARIAS: I vote aye on all.

5 COMMITTEE CLERK: Hanks?

6 COUNCIL MEMBER HANKS: Aye on all.

7 COMMITTEE CLERK: Hudson?

8 COUNCIL MEMBER HUDSON: Aye.

9 COMMITTEE CLERK: Sanchez? Borelli?

10 COUNCIL MEMBER BORELLI: Aye.

11 COMMITTEE CLERK: By a vote of nine in the  
12 affirmative, zero in the negative, and no  
13 abstentions, all items have been adopted as described  
14 by the Chair.

15 CHAIRPERSON SALAMANCA: I want to thank the  
16 Sergeant at Arms and the public for attending this  
17 voting hearing. We will now take a five minute  
18 recess and we will begin the hearing in five minutes.  
19 [00:06:39]- [00:14:34].

20 Alright, welcome back. I would like to recognize  
21 that we've been joined by Speaker Adrienne Adams and  
22 we've also been joined by Council Member Pierina  
23 Sanchez. And now we will move on to our hearing  
24 regarding Intro. 958, which as I mentioned is  
25 sponsored by Speaker Adrienne Adams and seeks to



1  
2 increase affordable homeownership opportunities  
3 across the city. The benefits of homeownership are  
4 well documented and include greater stability for  
5 families and neighborhoods, as well as the  
6 opportunity for intergenerational wealth building.  
7 However, access to homeownership in New York City  
8 remains profoundly unequal. While approximately 33  
9 percent of New York households citywide own their  
10 home, only 28 percent of Black and 17 percent of  
11 Hispanic, Latino households are homeowners. This  
12 ongoing disparity reflects a legacy of racial  
13 discrimination from the days of redlining to more  
14 recent predatory lending and speculative practices  
15 like deed theft.

16 In this context of persistent inequality, New  
17 Yorkers seeking to become homeowners face growing  
18 challenges. The city's median home price has more  
19 than doubled since 2000, when adjusted for inflation  
20 and now stands at over \$700,000. The lack of  
21 affordable homeownership opportunities is one of the  
22 prime factors driving more and more working and  
23 middle class families to leave New York.

24 The Council is seeking all available policy tools  
25 to increase access to homeownership. The Department

1 of Housing Preservation and Development, HPD, has  
2 devoted significant resources to the preservation of  
3 affordable homeownership units which account for  
4 nearly 35 percent of counter preservation units since  
5 2014. However, in the new construction, HPD has  
6 overwhelmingly allocated resources to development of  
7 affordable rental apartments. What the agencies open  
8 data showing that fewer than 3 percent of the new  
9 construction units since 2014 are homeownership  
10 units.  
11

12 Intro. 958, which would require HPD to  
13 approximately double this rate of new available  
14 homeownership construction as a minimum baseline  
15 going forward. At this hearing, the Council looks  
16 forward to learning more from HPD about the agencies  
17 approach to supporting homeownership and gathering  
18 further feedback from housing advocates and the  
19 public on the proposed framework and any additional  
20 ideas on how to achieve its intended goals.

21 Before we begin today's hearing, I remind  
22 everyone at this meeting it is being held in hybrid  
23 format and members of the public may view a  
24 livestream broadcast of this meeting at the Council's  
25 website. Members of the public who wish to testify

1  
2 may do so either in person or via Zoom. Those  
3 wishing to testify by Zoom must register online at  
4 the New York City Council website at  
5 [www.council.nyc.gov/landuse](http://www.council.nyc.gov/landuse) to sign up. For those of  
6 you here in person, please be sure to see one of the  
7 Sergeant at Arms to prepare and submit a speaker  
8 card.

9 We will limit public testimony to two minutes per  
10 witness. If you have additional testimony or if you  
11 have written testimony you would like to submit, we  
12 ask that you please email to  
13 [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov) and please include  
14 the phrase Intro. 958 in the subject line of your  
15 email.

16 Lastly, I would like to remind everyone that this  
17 is a government proceeding and decorum must be  
18 observed at all times. Members of the public are  
19 asked not to speak during the meeting unless you are  
20 testifying. The witness table is reserved for people  
21 who are called to testify and no video recording or  
22 photograph is allowed from the witness table.  
23 Members of the public, you may not present audio or  
24 video recordings or testimony but may submit  
25

1  
2 transcripts of such recordings to the Sergeant at  
3 Arms for inclusion in the hearings record.

4 Before we bring up the Speaker and we bring up  
5 the HPD, we just want to roll back and allow Council  
6 Member Pierina Sanchez to vote.

7 COMMITTEE CLERK: Council Member Sanchez?

8 COUNCIL MEMBER SANCHEZ: Thank you Chair. Aye on  
9 all.

10 COMMITTEE CLERK: Thank you. The vote is  
11 currently at ten in the affirmative.

12 CHAIRPERSON SALAMANCA: Thank you. And now I  
13 would like to invite Kim Darga and Ahmed Tigani  
14 appearing on behalf of HPD to the witness table and I  
15 will before we ask for them to administer the oath, I  
16 would like to allow Speaker Adrienne Adams to her  
17 opening testimony.

18 SPEAKER ADRIENNE ADAMS: Thank you so much Chair  
19 Salamanca. Good morning everyone. I thank the Chair  
20 for leading today's Committee on Land Use Hearing,  
21 which includes my bill, Introduction 958. It is  
22 legislation to increase the number of homeownership  
23 opportunities created by our city for New Yorkers and  
24 thank you to everyone who has joined us here today.

1  
2 Affordable homeownership is key to promoting  
3 stable and economically healthy communities. It is  
4 integral to keeping working and middle class families  
5 in our city, especially at a time when it has become  
6 increasingly harder for them to remain here as a  
7 result of housing and childcare related pressures.

8 I was fortunate enough to grow up in Hollis,  
9 Queens in a home and when it was time for my husband  
10 and me to put down roots and raise our own family, we  
11 chose Jamaica, Queens and that's where we bought our  
12 home. We raised our family there and 35 years later,  
13 we are still there.

14 Homeownership paid the pathway for us to stay in  
15 our community and to be a part of investing in our  
16 community. That was the case for many families in my  
17 Native Southeast Queens and it's why I have advocated  
18 to protect and expand homeownership opportunities for  
19 New Yorkers who want to stay in their neighborhoods.  
20 However, it has become far too unattainable for  
21 families to access similar opportunities previously  
22 afforded to live in the city and buy a home. The  
23 city's median home price has more than doubled since  
24 2000 when adjusted for inflation and now stands at  
25 over \$700,000, putting homeownership out of reach for

1  
2 the majority of New Yorkers. The lack of affordable  
3 homeownership opportunities is pushing more and more  
4 working and middle class families to leave this city  
5 that they love. This is leading us to lose the  
6 strength that diverse families contribute to our  
7 city. Access to homeownership remains profoundly  
8 unequal based on race.

9       While 42.5 percent of White households in New  
10 York City own their homes, only 28.3 percent of Black  
11 households and just 16.7 percent of Latino households  
12 are actually homeowners. These persistent  
13 disparities reflect the legacy of discrimination,  
14 including practices such as redlining that perpetuate  
15 wealth gaps that impact our city to this very day.

16       Our city's Black population has declined by  
17 nearly 200,000 people over the past two decades and  
18 the lack of opportunities to own a home is a major  
19 factor. It is deeply alarming. Neighborhoods in  
20 Southeast Queens, Central Brooklyn and the Bronx have  
21 been havens for homeownership that supports closing  
22 wealth gaps and mobility for working families, yet we  
23 are losing this. To ensure that our communities  
24 thrive with a dream of owning a home remaining a  
25 possibility for residents today and for generations

1  
2 to come, our city must do better. Part of the  
3 solution is my bill, which aims to at least double  
4 the pipeline of affordable homeownership  
5 opportunities throughout the city. We must dedicate  
6 more resources to build more affordable homes,  
7 support first time homebuyers and ensure homeowners  
8 can remain in those homes.

9 Introduction 958, which I first outlined in my  
10 state of the city address this year would require the  
11 Department of Housing Preservation and Development to  
12 double its current rate of affordable home production  
13 including new single family, two family, multi  
14 family, co-ops and down payment assistance programs.  
15 It would also require that at least half of the  
16 subsidized homeownership units be newly constructed  
17 in addition to the conversion of rental units into  
18 homeownership opportunities and downpayment  
19 assistance programs.

20 Today, I look forward to hearing about the city's  
21 approach to creating new homeownership opportunities.  
22 How this legislation will impact that approach and  
23 other feedback from our stakeholders. Thank you  
24 Chair Salamanca. I now turn it back over to you.

1  
2 CHAIRPERSON SALAMANCA: Thank you Speaker Adams.  
3 Now, we're going to bring up the HPD panel. I'm  
4 going to ask that the Committee Counsel please  
5 administer the oath.

6 COMMITTEE COUNSEL: Panelists, could you please  
7 raise your right hand and state your name for the  
8 record?

9 KIM DARGA: Kim Darga.

10 AHMED TIGANI: Ahmed Tigani.

11 COMMITTEE COUNSEL: And do you swear to tell the  
12 truth, the whole truth and nothing but the truth in  
13 your testimony before this Committee and in answer to  
14 all Council Member questions?

15 KIM DARGA: Yes.

16 AHMED TIGANI: Yes.

17 COMMITTEE COUNSEL: Thank you.

18 CHAIRPERSON SALAMANCA: Thank you. Welcome and  
19 you may begin.

20 KIM DARGA: Good morning Speaker Adams, Chair  
21 Salamanca, and members of the New York City Council  
22 Committee on Land Use. My name is Kim Darga, Deputy  
23 Commissioner of the Office of Development at the New  
24 York City Department of Housing Preservation and  
25 Development. I am joined by Ahmed Tigani, First



1 Deputy Commissioner and Chief Diversity Officer of  
2 HPD. Thank you for the opportunity to testify about  
3 Intro. 958.  
4

5 Based on findings from the 2023 New York City  
6 Housing and Vacancy Survey and other available data,  
7 this Council made a determination last spring that  
8 the city remains in a state of housing emergency.  
9 Almost all New Yorkers are deeply impacted by the  
10 shortage of available low-cost and affordable  
11 housing, most acutely on the rental side.

12 We know from the 2023 New York City HVS that our  
13 city net rental vacancy rate was the lowest in  
14 decades at only 1.4 percent. It is even lower  
15 amongst the lowest cost rentals for homes below  
16 \$1,100, it was just 0.4 percent. Median asking rent  
17 was \$3,000 per month, almost double median rent  
18 citywide. Median renter household income was  
19 \$70,000, much less than the \$120,000 that a household  
20 would need to be able - sorry. Yeah, I got the mask  
21 on today.

22 Uhm, median renter household income with \$70,000,  
23 much less than the \$120,000 that a household would  
24 need to be able to afford a \$3,000 apartment. 43.1  
25 percent of renter households in New York City are

1  
2 rent burdened and 25 percent are severely rent  
3 burdened, a primary indicator of financial  
4 instability. And since 1993, we have lost 600,000  
5 low-cost rental homes.

6 New Yorkers are struggling to remain stably  
7 housed and provide for their families. 13.7 percent  
8 of renter households had been late on rent at least  
9 once in the last year. 16.4 percent of renters were  
10 food insecure, and 6.4 percent were very food  
11 insecure. Over 100,000 New Yorkers are in DHS  
12 shelter.

13 Many New Yorkers are looking for help. HPD  
14 receives approximately 450 applications per rental  
15 home on Housing Connect, an indication of New  
16 Yorkers' overwhelming need for affordable rental  
17 housing. We at HPD are charged with addressing the  
18 root causes of this crisis. We are marshalling all  
19 of the local, state and federal resources available.  
20 This summer, we announced another year of record  
21 breaking housing production numbers. We set new  
22 records for the most new construction affordable  
23 housing, permanently supportive housing, and housing  
24 for formerly homeless households. We've also set  
25 records for placing families and homeless households

1  
2 into affordable housing, to make sure that those who  
3 are in the most desperate circumstances are able to  
4 access safe and secure housing. While our work  
5 touches a wide range of New Yorkers, we know that the  
6 lowest income New Yorkers are the most impacted. Our  
7 production numbers reflect a specific focus on  
8 prioritizing their needs.

9 HPD also committed to supporting existing  
10 homeowners and expanding homeownership opportunities,  
11 particularly in lower income communities and  
12 communities of color that have historically been  
13 excluded from opportunities to build and maintain  
14 wealth. As part of this commitment to homeownership,  
15 HPD has a three-pronged strategy to support existing  
16 and future homeowners that aligns with both our  
17 affordability and fair housing goals.

18 First, retain and stabilize existing homeowners.  
19 We are helping current low income homeowners stay in  
20 their homes and keep pace with the costs of repairs  
21 through successful programs like the Homeowner Help  
22 Desk, HomeFix, which is relaunching today, Plus One  
23 ADU, and our newly created Homeowner Advocate.  
24 Existing homeowners are telling us the need this  
25 support. For example 2,800 homeowners expressed

1  
2 interest in support to build accessory dwelling units  
3 to support their family and improve financial  
4 security. HPD also provides funding to Mitchell-Lama  
5 developments and HDFC co-operatives that are  
6 struggling financially and to support making  
7 renovations to maintain housing quality. With City  
8 Council's authorization, the J-51 program can also  
9 support investments by low cost condominiums and  
10 cooperatives.

11 Increasing access to existing homeownership  
12 opportunities with downpayment assistance is our  
13 second prong.

14 In recent years, HPD has expanded the HomeFirst  
15 program. In 2021, we increased the amount available  
16 to each household from \$40,000 to \$100,000 to better  
17 align with the realities of our housing market. This  
18 increased assistance has enabled more first time  
19 homebuyers to purchase homes in a wider range of  
20 neighborhoods across New York City, in accordance  
21 with our Fair Housing goals. We are actively looking  
22 at ways in which we can improve the program to  
23 increase the number of new, first time homebuyers it  
24 can serve each year, and as part of Housing Our  
25

1  
2 Neighbors, the administration increased funding for  
3 the program to support broader use.

4 Third, creating new homeownership opportunities.  
5 Through the Open Door program and Affordable  
6 Neighborhood Cooperative Program we create new  
7 homeownership opportunities for low, moderate and  
8 middle income New Yorkers. In addition, the  
9 administration worked closely with the New York State  
10 Legislature to enact 485-x. Affordable Neighborhoods  
11 for New Yorkers, a critical housing production tax  
12 incentive that will unlock affordable homeownership  
13 opportunities. The Administration is also working  
14 closely with the City Council to advance the City of  
15 Yes for Housing opportunity text amendment which will  
16 remove zoning impediments and allow a little more  
17 housing in every neighborhood, unlocking the  
18 potential for more homeownership units, especially in  
19 the outer boroughs.

20 Our work to create new homeownership  
21 opportunities is, however, resource intensive. Homes  
22 created through Open Door require roughly two times  
23 as much city subsidy and ANCP requires approximately  
24 three times as much city subsidy to develop compared  
25 to new affordable rental housing. We are committed

1  
2 to these programs as part as part of our three  
3 pronged strategy to assist existing homeowners and  
4 provide opportunities to new homeowners. We're also  
5 acutely aware of the need to balance our focus on  
6 homeownership with our equally important commitment  
7 to stabilizing the many New Yorkers experiencing  
8 acute housing instability and living in poor quality  
9 housing. Those New Yorkers need us to produce as  
10 much affordable rental housing, supportive housing  
11 and housing dedicated to households coming out of  
12 shelter as possible, and to continue to invest  
13 resources in renovations of exiting affordable  
14 housing. Increasing our homeownership production  
15 requires us to make difficult tradeoff's given the  
16 limited resources we have.

17 In regard to the legislation being heard today,  
18 HPD supports the goal of Intro. 958 to support  
19 homeownership as evidenced by our three pronged  
20 strategy. We also need to balance the impact that  
21 the proposed requirements would have on our resources  
22 and our ability to create and preserve as much  
23 affordable housing as possible given the number of  
24 New Yorkers in need. Rigid pipeline requirements  
25 would limit HPD's ability to maximize our resources

1  
2 on each closing cycle as effectively and efficiently  
3 as possible and even potentially result in money or  
4 projects left on the table. Meeting this target may  
5 force HPD to deprioritize construction of new  
6 affordable rental housing or the preservation of  
7 affordable rental and homeownership properties,  
8 including one to four family homes, HDFC cooperatives  
9 and Mitchell-Lama cooperatives.

10 Further, a rigid homeownership requirement will  
11 make difficult to manage across different - sorry,  
12 will be difficult to manage across different lending  
13 environments. High interest rates and more  
14 restrictive lending practices can at times impact  
15 interest within the market to financing  
16 homeownership, as well as low and moderate income New  
17 Yorkers ability to get the financing necessary to  
18 participate in HPD's homeownership programs. High  
19 interest rates for example, make mortgage payments  
20 more expensive putting homeownership out of reach or  
21 requiring significantly more HPD subsidy per  
22 homeownership unit. These national and even global  
23 trends can impact our ability to meet restrictive  
24 homeownership production requirements year over year.

1  
2 As City of Yes for Housing Opportunity is right  
3 around the corner, we look forward to working with  
4 Council to advance a critically needed tool to build  
5 more housing including homeownership citywide and  
6 working hand and hand to implement that Speaker's  
7 fair housing framework. These two important and  
8 ambitious initiatives will help us address some of  
9 the most critical housing challenges we face as a  
10 city. None of this would be possible without support  
11 of the City Council under the direction of Speaker  
12 Adams.

13 Thank you for your leadership and continued  
14 partnership in this effort and we're committed to  
15 working together to develop new and creative  
16 solutions to the housing challenges we currently  
17 face. Thank you for the opportunity to testify about  
18 this important issue and we look forward to your  
19 questions.

20 CHAIRPERSON SALAMANCA: Thank you for your  
21 testimony. Now, I will uh, hand it over to Speaker  
22 Adrienne Adams for the first round of questions.

23 SPEAKER ADRIENNE ADAMS: Thank you very much  
24 Deputy Commissioner for your testimony this morning  
25



1  
2 and welcome again to both of you. It's great to see  
3 you all as always.

4 I want to talk a little bit about the Open Door  
5 term sheet and program. How many projects and units  
6 have been financed by HPD's Open Door term sheets  
7 since it was created?

8 KIM DARGA: So, the Open Door program was created  
9 in 2017 and since then we have financed ten projects  
10 with 451 units. Last year was our most significant  
11 year. We financed 177 units, which and committed \$73  
12 million.

13 SPEAKER ADRIENNE ADAMS: Since 2017, what's  
14 prevented the numbers from being higher?

15 KIM DARGA: Yeah, I think there are some - we  
16 talked a little bit about this in the testimony but  
17 there are certainly some challenges in financing new  
18 affordable homeownership. This is one important  
19 prong, the three pronged approach. We are also very  
20 invested in making sure that existing lower income  
21 homeowners can stay in their homes and can make  
22 improvements to housing quality and also very  
23 interested in increasing access through our  
24 downpayment assistance programs.

1  
2 For Open Door and the other main program that we  
3 have that creates new opportunities, which is the  
4 Affordable Neighborhood Cooperative program, it is  
5 particularly the cost that is a challenge. We do  
6 have an extremely robust capital budget. Thanks in  
7 part to City Council's continued support. And so,  
8 this year we have \$2.2 billion. That sounds like a  
9 tremendous amount of money but you know we're also  
10 constantly trying to figure out how to do more. The  
11 cost of building a new home through Open Door last  
12 year was \$410,000 per unit, and that's about twice as  
13 much as what we invest in affordable new construction  
14 on the rental housing side. So, I think while we're  
15 very interested in that, we have to be certainly  
16 mindful of the resources that we have available and  
17 the very significant needs that we are facing.

18 SPEAKER ADRIENNE ADAMS: And how many households  
19 have applied to the program via lottery since its  
20 implementation?

21 KIM DARGA: So, I don't have the breakdown  
22 specifically for Open Door but we know that for  
23 homeownership opportunities, which could also include  
24 the Affordable Neighborhood Cooperative program. We  
25 get approximately 350 applications per unit and we

1  
2 have placed; I think we have since 2020, so in the  
3 last four years received approximately 228,000  
4 applications. For comparison purposes, for rental  
5 housing, we receive about 450 applications per unit.  
6 Certainly there's a lot larger volume of what we  
7 produced in that space.

8 SPEAKER ADRIENNE ADAMS: Do you have a breakdown  
9 on Open Door public sites versus private sites.

10 KIM DARGA: So, in Open Door specifically, about  
11 three quarters of the pipeline is public sites and I  
12 think one of the main reasons for that is what I  
13 mentioned a moment ago which is that uhm in a private  
14 site it can be much more expensive to finance any  
15 project. The advantage on a public site is that we  
16 get free land, right and on a private site we have to  
17 figure out how to finance the land cost or  
18 acquisition cost in addition to developing the real  
19 estate.

20 SPEAKER ADRIENNE ADAMS: And where is the  
21 concentration usually around Open Door?

22 KIM DARGA: So, we have actually in the ten  
23 projects that we've financed have been in every  
24 borough of New York City and more than one. So,  
25

1  
2 there have been at least two projects in every  
3 borough.

4 SPEAKER ADRIENNE ADAMS: That's good to hear.  
5 When a new construction proposal comes in, how do you  
6 determine if it's fit for HPD financing programs and  
7 specifically for Open Door?

8 KIM DARGA: So, there are a couple things.  
9 First, we want to make sure that it actually aligns  
10 with the program term sheet. You know sometimes we  
11 get proposals that you know they have unusual  
12 characteristics. So, for example, somebody wants to  
13 finance mixed market and affordable homeownership.  
14 That's not something that we do through our program.  
15 We're looking for 100 percent affordable. So that's  
16 first.

17 Second, is looking at financial feasibility and  
18 that is looking at the subsidy. It's looking also at  
19 market. So, what our sales being priced at? Is that  
20 actually a discount to market? Can those sales  
21 happen within the housing connect process, right?  
22 Will we actually get demand for those units? We  
23 certainly look at other characteristics to. You know  
24 we look at the zoning and the neighborhood context.  
25 There's other aspects of the review as well but

1  
2 financial feasibility and align it with the programs  
3 terms are some of the biggest.

4 SPEAKER ADRIENNE ADAMS: Okay, okay, how does HPD  
5 decide in which neighborhoods to build affordable  
6 housing units through Open Door?

7 KIM DARGA: So, the program is open citywide and  
8 we're open to taking proposals across the city. As I  
9 mentioned, we have finance projects in every borough.  
10 It is a large deterrent of where we can build is the  
11 financial viability of the project. So, parts of the  
12 city that have higher land acquisition costs would be  
13 far more expensive.

14 So, if the average cost of an Open Door project  
15 in 2024 was \$410,000 per unit, land cost let's say  
16 downtown Manhattan, that would make that a much more  
17 expensive project for us to finance. There are some  
18 parts of the city where the market for homeownership  
19 may not be as strong and so, for us to finance a  
20 project as I mentioned, we'd want to make sure that  
21 we're actually providing affordability within that  
22 context. Meaning, if the market for homeownership is  
23 let's say 80, 100 percent AMI, which would be on the  
24 lower end of New York City, we'd be having to price  
25

1  
2 units much deeper than that to actually make sure  
3 that they could be leased up and sold.

4 That then if we have to price much deeper than  
5 that can also increase the cost dramatically. So,  
6 those are a couple of the factors that can really  
7 drive financial feasibility. There's also  
8 construction cost in any kind of you know, those  
9 types of factors. But it is a program that's open  
10 citywide but like I said, the financial feasibility  
11 doesn't always work everywhere.

12 AHMED TIGANI: And if I could just add, so from a  
13 platinum perspective, in our neighborhood plans, we  
14 travel for opportunities to create multiple building  
15 types and housing types. So, a good example is the  
16 Bed Stuy neighborhood plan at HPD started in 2016,  
17 2017 and moved forward. In that we looked at public  
18 parcels that we had and one of the projects that  
19 we're moving forward with soon is a 40 unit  
20 homeownership project called ENORMA with an MWBE  
21 developer in Bed Stuy Restoration.

22 So, in that work when we're looking a  
23 communities, looking at public and private land, we  
24 are taking the response and the feedback from that  
25

1  
2 neighborhood in the visioning plan and then looking  
3 for opportunities to build different building types.

4 SPEAKER ADRIENNE ADAMS: Great, okay. This years  
5 budget agreement included an additional \$55 million  
6 in annual funding for the Open Door program. How  
7 many additional units of new construction  
8 homeownership production does HPD estimate will  
9 result from this additional funding?

10 KIM DARGA: So, uhm, with \$55 million and at a  
11 cost of about \$410,000 a unit, we can finance about  
12 135 additional homeownership units.

13 SPEAKER ADRIENNE ADAMS: Okay. We've seen some  
14 Open Door developments able to reach deeper levels of  
15 affordability, which we've been speaking about such  
16 as those proposed by Habitat for Humanity. What are  
17 the tools or factors that enable the HPD to reach  
18 those deeper levels of affordability?

19 KIM DARGA: So, there are a couple factors. I  
20 would first say so in general the new affordable  
21 homeownership opportunities that we're creating by  
22 financing real estate, we are targeting between 80  
23 and 120 percent of Area Median Income. We have  
24 occasionally had some units priced lower than that  
25 and again, that's in part based on the market, the

1  
2 local market conditions. We, and then of course in  
3 partnership with Habitat, we've been able to do that  
4 in part because they had a low cost mortgage product  
5 that they were able to offer that brought the cost of  
6 financing down for homeowners.

7 That product is no longer available. So, I think  
8 we could make it more viable without driving the  
9 public investment cost up. Without driving the  
10 subsidy up dramatically is certainly where there's  
11 commitment from City Council or Borough President to  
12 invest Reso. A, right that can help. Inclusion of  
13 non-city funding, including state funds.

14 So, right now New York State does have about \$400  
15 million that is available for the Affordable  
16 Homeownership Opportunities Program. A portion of  
17 that will be available within New York City and so,  
18 that certainly can help. Some projects there's a  
19 possibility of contribution of developer equity by  
20 the developer. That in part depends on the sales  
21 prices and other economics of the project, and then  
22 of course lower acquisition and land cost can make  
23 that viable to the higher the construction and land  
24 cost, the harder it is for us to bring the sales  
25



1  
2 prices down without really having a very high subsidy  
3 need.

4 SPEAKER ADRIENNE ADAMS: You touched on this a  
5 little bit in your testimony about the bill  
6 specifically. Tell us again in a little bit more  
7 detail, what are the challenges that you foresee in  
8 meeting the requirement of my bill, of Intro. 958  
9 that six percent of all affordable units HPD  
10 subsidizes are for homeownership?

11 KIM DARGA: So, I think we're certainly committed  
12 to homeownership. I talked about the three pronged  
13 approach. I think what is concerning us is the  
14 potential of unintended consequences of having it  
15 uhm, structured, having that commitment structured as  
16 a percentage target of overall finance construction.  
17 And I think that there's a couple potential issues  
18 there. One, we have a set capital budget every  
19 single year. So, this year, the capital budget  
20 available for financing affordable housing at HPD is  
21 about \$2.2 billion. If we have to get to six percent  
22 and that is overwhelmingly new construction right  
23 because we're really talking about to qualify new  
24 construction through programs like Open Door.  
25 Downpayment assistance as well as conversions, which

1  
2 largely happens through the Affordable Neighborhood  
3 Cooperative program.

4 We - let me take a step back. In FY24, we  
5 financed 396 qualifying units. That was about 2.5  
6 percent of the finance production. We financed  
7 through subsidy programs about 15,695 units, okay?  
8 In order to get to the six percent, we would need  
9 another \$382 million invested in home ownership to  
10 get to that six percent.

11 So, one of the potential concerns that we have is  
12 that the demand for both producing affordable rent,  
13 deeply affordable rental housing and the demand that  
14 we're seeing on preservation right now is extremely  
15 high. This is the - one of the highest cost  
16 environments that we've ever seen in doing this work  
17 and for especially existing building, Mitchell Lama's,  
18 HDFC co-ops and Restricted Affordable Rental  
19 properties, they're facing some really difficult - a  
20 really difficult situation right now with escalating  
21 operating costs and interest rates.

22 So, one of the concerns that we have is that  
23 unless we had - we knew that we had the additional  
24 resources, we would have to make a choice between  
25 investing the money to meet this target right? Or

1  
2 investing in affordable rental housing in the city  
3 and/or preservation work. And you know I think the  
4 implications of that could be right if we had to cut  
5 \$382 million out of our affordable new construction,  
6 we would not be fully utilizing our low income  
7 housing tax credit resources in New York City, which  
8 is a major federal source that we leverage.

9       So, that's not a situation I think any of us want  
10 to be in, right? I think we want to fully be able to  
11 maximize those federal sources. And at the same  
12 time, you know we are like I said, we're seeing  
13 increasing needs in some of the existing affordable  
14 housing in New York City including limited equity co-  
15 ops. And you know one of - you know, we last year  
16 alone, we invested about \$100 million in Mitchell  
17 Lama's. You know I'd hate to be you know in a  
18 situation where we couldn't make that investment in a  
19 given year because we were focused on creating new  
20 homeownership opportunities. So, I think it's that  
21 like how we manage the resources is certainly a major  
22 question. And then I think the other thing uhm, two  
23 other things maybe worth noting. We do have the  
24 three pronged approach. I think we all understand  
25

1  
2 that we are trying to create new opportunities for  
3 first time homebuyers in New York City.

4 The concern is that creating real estate is  
5 actually more expensive potentially. We could do  
6 that in other ways right and creating real estate  
7 alone or having a majority of that six percent be  
8 through creation of new real estate is a much more  
9 public resource intensive strategy. We may be able  
10 to do similar work through downpayment assistance  
11 let's say, which we currently offer \$100,000. The  
12 typical request that we've been getting since we  
13 raised it, the limit to \$100,000 is about \$80,000 and  
14 that that may actually allow many New Yorkers to  
15 access opportunities within the city today without  
16 the same commitment of public resources.

17 So, I think it's that you know this really  
18 emphasizes one major prong of our overall  
19 homeownership strategy and we're concerned about the  
20 preservation component not being included and the  
21 resource implications and very hard choices we may be  
22 faced with making. And I think those are really the  
23 big concerns. I don't Ahmed if there's anything else  
24 that you would add to that?

1  
2 AHMED TIGANI: Just to go back to the low income  
3 tax credit, the LITAC piece. So, it's important to  
4 note also that we can't use it on homeownership. So,  
5 as a result of that, we want to make sure we maximize  
6 it on our rental piece also. It's something that we  
7 continue to advocate to the federal government that  
8 New York City can use much more of. So, every year  
9 and every time that we're pushing, we're trying to  
10 maximize our amount and push it so we would not want  
11 to leave any on the table. This way, to emphasize  
12 it. We would definitely need to make sure we have  
13 the capital in place to maximize the LITAC so we can  
14 continue successfully advocating for it at the  
15 federal level.

16 SPEAKER ADRIENNE ADAMS: Thank you. I think that  
17 both of you have probably answered the next question  
18 that I have already but we'll just get it out there  
19 on the record. Considering everything that you said,  
20 the three pronged approach and everything else. Does  
21 HPD have any plans to create any new programs to  
22 support development of affordable homeownership?

23 KIM DARGA: I know the numbers don't necessarily  
24 reflect this the last couple years right? So, four  
25 percent homeownership production, eight percent

1  
2 homeowner production seems low. That's in part  
3 because you know we have kind of spikes at times on  
4 the preservation side where you may have a larger  
5 Mitchell-Lama that we're assisting.

6       The commitment itself is actually very  
7 significant so we have invested tremendous resources  
8 the last couple years and are continuing to invest  
9 resources in expansion on the prong to help retain  
10 and stabilize existing opportunities that exist. So,  
11 for example, today we're relaunching Home Fix with  
12 the center for New York City neighborhoods. That's  
13 an additional \$10 million commitment, not on the  
14 capital side but on the expense side of the budget.  
15 So, there are plenty of examples like that. The ADU  
16 plus one program where we've seen a tremendous  
17 interest trying to expand technical and legal  
18 assistance for existing homeowners. Think about  
19 estate planning and you know mitigating risk around  
20 deed theft.

21       We've been doing a lot of work to try to actually  
22 get ahead of some of the challenges that homeowners  
23 are facing. We also on the creating new  
24 opportunities side, to get to your question a little  
25 bit more directly. We did really advocate at the

1  
2 state level for reforms of 45x in order to have it  
3 work better potentially for homeownership.

4       So, 421A 16 overwhelmingly created affordable  
5 rental opportunities. That's clearly important in  
6 New York City. We didn't see a lot of use of Option  
7 D, which allows for homeownership. As part of the  
8 advocacy we did with the state legislature, we asked  
9 for removal of the 35 unit cap. We also asked that  
10 the program being modified so that the assessed value  
11 limit is \$89 a square foot. That also - that does  
12 two things. One, it hits - that's about the 40  
13 percentile in assessed value in New York City. So  
14 for lower cost markets, it is actually viable. And  
15 second of all, it's on a square footage basis so that  
16 we could actually incentivize larger units of  
17 homeownership.

18       In the past it was just on a dwelling unit basis  
19 and we were seeing where there was homeownership  
20 produced, it was smaller units that were being  
21 produced. So, we think that coupled with some of the  
22 zoning incentives like Mandatory Inclusionary, which  
23 also allows homeownership. If we move forward, when  
24 we forward on City of Yes for Housing Opportunity,  
25 that also will provide flexibility both for rental

1  
2 and homeownership opportunities. So, we think that  
3 now that we have a tax incentive that potentially  
4 will work without a lot of additional public  
5 subsidies that we may be able to create some lower  
6 cost homeownership in the city.

7 AHMED TIGANI: The only thing I would add is and  
8 the Council knows well, which is the Zombie Home  
9 Initiative, something that we actually have seen  
10 expanded and improved with state advocacy. We've  
11 been experimenting with using parcels in that program  
12 that come back and is under a greater city scrutiny.  
13 That could possibly be reverted to affordable  
14 homeownership in the future. And we've at least been  
15 able to move with two parcels and see that as a case  
16 study that we can look to expand with further funding  
17 in the future.

18 SPEAKER ADRIENNE ADAMS: Okay, that's - oh dear.  
19 Just a couple more then I'm going to hand it over to  
20 the Chair and my colleagues to continue. In looking  
21 at downpayment assistance, you spoke a little bit  
22 about that Deputy Commissioner. The Home First  
23 program, how many people have actually applied to  
24 Home First over the last five years?



1  
2 KIM DARGA: Uhm, I think I have the applications.  
3 I will double check that. I might have to get back  
4 to you in a minute. We have I know that we have  
5 actually in the last decade assisted just under 1,000  
6 first time homebuyers and acquiring in New York City.  
7 It's actually, the amount of homeownership we've  
8 helped New Yorkers access through Home First far  
9 surpasses Open Door, ANCP or any other individual  
10 program. And we actually think there's really  
11 significant opportunities to think about ways that we  
12 could actually do more through that program. For  
13 example last year, we - so we added additional home  
14 funds. We increased the limit to \$100,000. That has  
15 certainly helped in being the access homeownership  
16 opportunities in various markets across the city. We  
17 have primarily used home funds because we didn't have  
18 the authority under state law to actually provide  
19 down payment assistance.

20 Last year, the state legislature amended our loan  
21 authorities and so, for the first time, we could  
22 actually use city resources. And so, we've been  
23 trying to figure out what - are there ways to expand  
24 what we're doing? We've actually - we're bringing on  
25 a second servicer and we are requalifying the housing

1  
2 counseling agencies in order to have a larger  
3 footprint in communities across the city. And we're  
4 trying to figure out now what we could do to allow  
5 New Yorkers to increase more markets and to increase  
6 the scale.

7 SPEAKER ADRIENNE ADAMS: Okay and I think I'm  
8 going to -

9 KIM DARGA: Oh, and I'm sorry, sorry to interrupt  
10 but we have in the last five years, there were 636  
11 homeowners, families that applied and 373 applicants  
12 got financing from us, so about 60 percent.

13 SPEAKER ADRIENNE ADAMS: 60 percent okay. Okay,  
14 thank you.

15 CHAIRPERSON SALAMANCA: Thank you Madam Speaker.  
16 So, I have a few questions and then I'm going to hand  
17 it over to some of my colleagues here. First  
18 question is, when a property either city or privately  
19 owned becomes available for HPD development, how do  
20 you determine if it's fit for HPD's financing  
21 programs and specifically for the Open Door program?

22 KIM DARGA? So, uhm it's a little bit different  
23 for public or private sites. So, I'm going to start  
24 with private sites and then we can talk about the  
25 nuance on public sites and on Ahmed may jump in

1  
2 there. So, on private sites, it starts with a  
3 proposal from the development teams. You know they  
4 say we're interested in affordable homeownership or  
5 we're interested in affordable rental housing. They  
6 submit you now the specifics of their project, what  
7 they would build, whether it complies with zoning,  
8 information about the market, a whole slue of  
9 information and then we evaluate that and we look at  
10 it in terms of does it align with the program  
11 parameters that HPD has and is it financially  
12 feasible? Those are really the big questions that we  
13 are grappling with.

14 And as I mentioned just a couple of moments ago,  
15 you know one of the things on homeownership and this  
16 is true of rental housing too. Understanding the  
17 market is really important. So, in some markets, the  
18 homeownership, there may not be a really robust  
19 homeownership market. There are other parts of the  
20 city where there is, right and so what is within the  
21 market? How are units being priced? If we were  
22 going to finance a project, are we going to be  
23 financing at a significant discount to market because  
24 our goal is certainly to produce affordable  
25 opportunities. And if the answer is no, it may not

1 actually make sense for us to finance that project.

2 So, that actually does - that is a big consideration

3 we're looking at whether we would provide public

4 assistance. And I'm sorry, Ahmed do you want to talk

5 about public?

6 AHMED TIGANI: So, I think that there are two

7 levels. One is when we're looking at a neighborhood

8 plan and we may have multiple parcels or multiple

9 pieces of land. The feedback that we get from the

10 community and the work in the numbers in the analysis

11 that we do may suggest that we are looking at a

12 number of different housing types and want to deliver

13 both in private and public land.

14 So, whether that be multifamily housing, extra

15 low income, moderate access senior housing,

16 supportive housing. We are looking at both the types

17 of housing we're trying to provide and then also the

18 characteristics of that plot. So, the size of the

19 land, whether it's encumbered with any technicalities

20 that make it more expensive or difficult to develop

21 on and then how that relates to the terms sheets and

22 our ability to subsidize per unit.

23 So, we're looking at both the quality of the

24 information we get from the community, the number of

25

1  
2 parcels, the size, the land characteristics of the  
3 parcels and the numbers as it relates to the  
4 development feasibility of that land.

5       The other thing to think about is when you think  
6 about those parcels, we've had a lot of success  
7 looking at multiple parcels that may be smaller. Too  
8 small for a successful multifamily project but when  
9 we put them together in a cluster financing package,  
10 you can take you know 10, 14 individual small lots  
11 and build 3 to 4 units co-op homeownership  
12 opportunities and we've done that successfully  
13 recently in Brooklyn and together created 114  
14 homeownership opportunities just in that project.  
15 So, we are trying to attack it from every angle and I  
16 would say again looking at neighborhoods where the  
17 availability of homeownership versus rental and  
18 trying to figure out that balance, especially through  
19 the lens of recent conversations and improvement on  
20 their focus on fair housing is a big part of those  
21 conversations.

22       CHAIRPERSON SALAMANCA: What kind of outreach  
23 does HPD conduct among low and moderate income New  
24 Yorkers applying to purchase Open Door and other  
25 affordable homeownership units?

1  
2 KIM DARGA: So, there are a couple ways in which  
3 we do outreach when it comes to homeownership  
4 opportunities. First, we do have Housing Amba- so,  
5 let's take a step back. All of our financed  
6 opportunities or anything we financed certainly in  
7 the last five or six years now, we market it through  
8 Housing Connect. So, it is all publicly available  
9 information. If somebody has an interesting  
10 opportunity, that is the place to go. Okay, uhm, so  
11 that's for a second. We do have Housing Ambassador's  
12 so community based organizations that can help New  
13 Yorkers that are interested in affordable housing,  
14 whether that's rental or homeownership opportunities,  
15 understand our marketing process and guidelines and  
16 help them access those opportunities that might be  
17 out there understand what they're going to need to do  
18 to qualify.

19 We also specifically for Home First, there are  
20 about 20 community based HUD certified counseling  
21 agencies that we work with that work with the  
22 homeowner at the start. So, they actually may have  
23 first engaged with that organization for some other  
24 reason and end up talking about downpayment  
25 assistance or maybe specially interested in how to

1  
2 access homeownership opportunities. Those  
3 organizations certainly do outreach and engagement.  
4 We also have two now servicers specifically for Home  
5 First who do outreach as well as review applications  
6 for Home First and that NHS of New York City as well  
7 as the Center for New York City Neighborhoods and so  
8 they also are out there and then finally, HPD does  
9 range of engagement tabling events, attending events,  
10 can work with you as Council Members if you're  
11 interested in hosting an event. Basically providing  
12 information about both Home First as well as other  
13 opportunities that we have.

14 AHMED TIGANI: And I know the Council has heard  
15 about the work on the Homeowners Help Desk. This is  
16 a pilot that we put out in the field in three  
17 neighborhoods in the North Bronx and Southeast Queens  
18 and Central Brooklyn. You know through that work; we  
19 saw that we were able to reach around 4,700  
20 homeowners and assist 2,300 but I think it's  
21 important to note that the assistance went and really  
22 reached low income and people of color. We saw that  
23 at least 80 percent of the people we served were  
24 people of color and 50 percent, almost over 50  
25 percent were a senior. And moving forward with this

1  
2 Administration, we're baselining the Homeowner Help  
3 Desk. We're going to go from three neighborhoods in  
4 the city, go citywide and building a three year  
5 contract where we're hoping to reach upwards of  
6 160,000 New Yorkers, at least over 250 events and  
7 this is you know coupled with the HPD in your  
8 district, which Deputy Commissioner Darga raised  
9 about.

10 CHAIRPERSON SALAMANCA: How would expanding HPD's  
11 programs that support low and moderate income  
12 homeowners need to be expanded to meet the needs of  
13 additional New Yorkers who would become homeowners to  
14 pass the 95A?

15 AHMED TIGANI: So, if the - if the question is  
16 about outreach, I think that we're moving toward that  
17 with the expansion of the Homeowner Help Desk. It is  
18 a main prong. It's not the only prong but the  
19 partnership between increasing our capacity  
20 internally plus increasing the capacity of our  
21 partner on the ground, which is the Center for New  
22 York City Neighborhoods, plus they bring in over a  
23 dozen of CBO's in all the boroughs.

24 So, the tree of pushing that out, this new three  
25 year contract valued at over \$9 million is going to



1 do significant work in that regard. Additionally, it  
2 will increase our capacity to assist homeowners with  
3 any questions that they may have. The big ones that  
4 we've heard a lot about is estate planning, deed  
5 theft, questions about resiliency. There's a lot of  
6 questions about what programs exist out there now and  
7 what is forthcoming due to new programs like Solar  
8 for All or the Green House Gas Reduction Fund that  
9 was recently announced at the federal level and  
10 making its way through city channels.

12 KIM DARGA: Let me just add to that that uhm, so  
13 there's the outreach component. You know if we were  
14 going to implement Intro. 958, there's a couple other  
15 things that we would need to look at. Certainly, we  
16 talked about a little bit earlier the resources. We  
17 really would need to look at increasing the capital  
18 resources if we were not going to be faced with hard  
19 choices.

20 CHAIRPERSON SALAMANCA: Can you remind me of the  
21 dollar amount that you need?

22 KIM DARGA: So, in order to like last year you  
23 know this is a little bit, this is the tricky part  
24 right. So, last year we produced, we financed 15,695  
25 units. There's a whole series of other housing that

1  
2 we provide financial assistance for through as of  
3 right programs, inclusionary housing being one of  
4 them, 421A, going forward 45X. That is not in that  
5 universe. The financed universe was 15,695, so last  
6 year we would have had to finance 942 units in order  
7 to get to the 6 percent. We would have needed \$382  
8 million in order to do that. So, we do a portion of  
9 that work today right. Uhm, uhm and so, last year we  
10 financed 396 units that would have counted; it's more  
11 than double that we would need to get to. And just  
12 for context, that's about 17 percent of the capital  
13 budget this year, right for about 6 percent of the  
14 housing. So, that's what I mean about being resource  
15 intensive and having to potentially make hard  
16 choices, especially if we didn't grow the pot.

17 AHMED TIGANI: And then the only thing is over  
18 the last couple of years, that's last years numbers.  
19 So, if the environment continues to accelerate the  
20 way it has and you know from talking to developers  
21 who are working in your communities as well, the  
22 costs have gone up usually faster and more quickly  
23 than they expect. So, we would have to continue to  
24 reevaluate. That number would change unless the  
25 environment would cool down.

1  
2 CHAIRPERSON SALAMANCA: I understand inflation.  
3 It's real and it has an effect but my question is  
4 once a year the administration goes out to Albany  
5 right. I believe they call it ten cup day right?  
6 There we go, right? And I know that the Commissioner  
7 goes up there as well and that's your opportunity to  
8 ask the state elected officials, give them your  
9 priorities, give them your needs and you know  
10 speaking to my state elected officials and I know  
11 that the Majority Whip will speak a little bit on  
12 this because we did a homeownership project in your  
13 district. There is a - the state elected officials  
14 want to bring homeownership to their communities.  
15 So, what is HPD doing on update or any other data you  
16 go up and there's an ask to the state. So, to  
17 allocate extra funding for homeownership separate and  
18 aside from affordable housing.

19 KIM DARGA: Yeah I mean there are, there have  
20 been additional resources added on the homeownership  
21 side the last couple years now as part of the state  
22 housing plan and then annually there's been some  
23 additional resources. The AHOP program did not exit,  
24 the Affordable Homeownership Opportunities Program  
25 until a couple of years ago. That helps finance

1  
2 limited equity cooperatives and then last year there  
3 was another \$75 million, \$80 million added to also  
4 finance limited equity cooperatives through another  
5 initiative. Some of that - so that's statewide  
6 funding. Some of that's available in New York City.  
7 That helps but it is - I'm just going to be honest,  
8 it's still not enough. If we want to increase the  
9 real estate we're financing, it's definitely not  
10 enough.

11 CHAIRPERSON SALAMANCA: So, my question  
12 Commissioner again is, what is HPD doing to ask for  
13 more money?

14 AHMED TIGANI: So, we've asked for a greater  
15 percentage of the AF funds we used downstate. We've  
16 asked for lending authority, flexibility to help home  
17 ownership, which we solved last your state  
18 legislative cycle. We've asked for additional - J51  
19 again to help limited liability co-ops. We saw that  
20 passed at the state level and we're working with the  
21 Council to see that move forward. And we're also  
22 asking and working to look at additional assistance  
23 for other co-op entities like Mitchell Lama. So,  
24 we've been making actually a number of different asks

1  
2 and we've seen some movement but we can always use  
3 more space.

4 CHAIRPERSON SALAMANCA: But it sounds like it's  
5 not enough. Please use this body, we are interested  
6 in helping you to bring that funding to the city so  
7 we can create more homeownership.

8 KIM DARGA: We appreciate that.

9 CHAIRPERSON SALAMANCA: My last question here is  
10 their communities such as Diana, myself, I know  
11 Farias, where we're building affordable housing right  
12 and actually we're doing more than our fair share and  
13 we want to see homeownership. How can HPD prioritize  
14 or change their focus on these communities that are  
15 doing - are building all the affordable housing in  
16 the City of New York, right? Because that's really  
17 what's happening here. How can HPD change their  
18 focus? Instead of focusing on more affordable  
19 housing in our communities since we're housing more  
20 New Yorkers in other districts and changing our focus  
21 to actually bring in homeownership?

22 KIM DARGA: I think that's a very, that's a very  
23 interesting question and I think it is - I'm not sure  
24 that I have a perfect answer for you today on that.  
25 Okay, I'm going to be honest. I think that from a

1  
2 fair housing perspective, that is a question that we  
3 should absolutely be grappling with and the best  
4 answer I have today is we have seen use of  
5 downpayment assistance in some of the districts.  
6 There are not like, if you look at the share of  
7 homeownership, it is lower. So, the options, there  
8 are fewer options for people to purchase. We are  
9 open to taking applications through Open Door and I  
10 would you know encourage you to talk to developers  
11 about your interest in that. We have to then review  
12 them from a financial feasibility perspective.

13 AHMED TIGANI: [INAUDIBLE 01:14:35]

14 KIM DARGA: Uhm.

15 AHMED TIGANI: Sorry.

16 KIM DARGA: Go ahead, go ahead.

17 AHMED TIGANI: The only thing I would add here is  
18 that you know as the Deputy Commissioner mentioned,  
19 we have you know we have a need or responsibility to  
20 build enough rental housing to match what the demand  
21 is in the city. With that being said, there are ways  
22 we can do it that isn't as HPD resource intensive and  
23 using zoning and regulation to build that housing,  
24 build income housing, build more affordable housing.

1  
2 That would allow us to be able think creatively and  
3 more strategically with the resources that we have.

4 So, we've mentioned how the City of Yes Zoning  
5 Text Amendment would allow us to rely on more private  
6 action in the city to help build up the rental market  
7 and include regulated required affordable housing.

8 That would take some of the pressure that we have in  
9 our responsibilities to build rental there and think  
10 about homeownership opportunities elsewhere in the  
11 city and especially given the fair housing work we've  
12 done and where we live as an administration moving  
13 into this, the Fair Housing legislation. Your  
14 question Chair is exactly the one that we are  
15 thinking and looking at to making sure that we're  
16 having a balance of housing types across the city.

17 CHAIRPERSON SALAMANCA: It's doable. I mean in  
18 my district, I believe I have what's called FIPS  
19 houses, they build [INAUDIBLE 01:15:54]. Half of it  
20 is affordable, affordable housing. The other half is  
21 co-op you know homeownership and so, and I know that  
22 all the developers are watching, fair warning. If  
23 you to come to District 17, I want to see  
24 homeownership right. There we go 31. So, with that,  
25 I'm going to go to my colleagues who have questions.

1  
2 We're going to please; we're going to give each  
3 Council Member five minutes for the first round.  
4 Then we'll do - if there's a second round, we'll do  
5 three minutes and we're going to ask you HPD, please  
6 be very direct with your questions so that they can  
7 get as many questions as possible.

8 And I'm going to start of course with my Deputy  
9 Speaker Diana Ayala.

10 COUNCIL MEMBER AYALA: He better. I'm only  
11 kidding, I love him but I do have a question  
12 following up on Council Member Salamanca's line of  
13 questioning. Regarding the number of units that are  
14 currently approved but waiting for financing. Do you  
15 know what that number is?

16 KIM DARGA: Approved for homeownership?

17 COUNCIL MEMBER AYALA: Uh, huh.

18 KIM DARGA: Oh, I know there are a couple dozen  
19 projects. I think there are 23 projects in the  
20 pipeline. I don't know the unit count of those  
21 projects.

22 COUNCIL MEMBER AYALA: And do we know what the  
23 length of time you know each project approximately is  
24 on hold for?



1  
2 KIM DARGA: Interestingly the actual, the  
3 pipeline is much bigger on the rental side. So,  
4 there you know we base the resources we have, we can  
5 finance a few projects a year. So, it will take  
6 maybe four or five years to get through the pipeline  
7 at the current pace of financing. Not all of the  
8 projects in the pipeline today are ready, right?  
9 Some of them actually have predevelopment work they  
10 need to do that's going to take some time. But you  
11 know there's a pipeline there but we're making good  
12 progress.

13 COUNCIL MEMBER AYALA: And of the 900 plus units  
14 that were developed last year, do we know if those  
15 units were created throughout the entire city of New  
16 York or were they concentrated to specific  
17 communities or you know boroughs, districts, that -

18 KIM DARGA: Yes, there were - so 396 new units.  
19 There was a larger universe of preservation work,  
20 right so that's just the unit that would count toward  
21 meeting the target if this bill moved forward. Uhm,  
22 let me just see.

23 So, there were homeownership units created in  
24 every borough of New York City and I think almost  
25

1  
2 every single Council District. It's a mix of  
3 preservation and new construction.

4 COUNCIL MEMBER AYLA: Okay, okay.

5 KIM DARGA: If you wanted the specific breakdown  
6 of new construction, I think we'd have to follow up  
7 to get -

8 COUNCIL MEMBER AYALA: Yeah, that would great.  
9 That would great and obviously I, you know would be  
10 remiss if I did pitch for my own district. I do have  
11 a homeownership project that's part of the former MEC  
12 project at 125<sup>th</sup> Street. That's been you know in the  
13 pipeline for almost 18 years we've been having  
14 conversations. It was a lot of you know litigation  
15 and stuff, so the project you know, it has never been  
16 finalized. We agreed through ULURP to a number of  
17 units that you know I understand the city now may  
18 have some difficulty funding as is. But I would  
19 really welcome a conversation about what the strategy  
20 is moving forward in terms of you know can we build  
21 half now, half later? Are we you know, is it  
22 definitive that we are not able to get to the number  
23 that was agree upon through ULURP but that  
24 conversation needs to happen. And I know I've  
25 reached out on a couple of other projects but I just

1  
2 feel like the uhm, open ended you know the status of  
3 these projects is problematic. You know we need to  
4 be able to make decisions at the Council that you  
5 know determined based on whatever feedback we're  
6 getting from HPD. So, if we're not getting that  
7 feedback, we're not able to plan accordingly and this  
8 project you know was already passed through ULURP.  
9 It was promised to the community many, many years ago  
10 and we're still in conversation.

11 I know the developer is interested in moving  
12 forward with some you know type of development. It's  
13 not where we're supposed to be but I'm agreeing to in  
14 the event that you know hoping that we are also going  
15 to have a commitment to build more at a future time.  
16 So, I'm flexible but running out of time and  
17 patience.

18 KIM DARGA: Okay, yes we absolutely are happy to  
19 sit down-

20 COUNCIL MEMBER AYALA: I appreciate that, thank  
21 you.

22 CHAIRPERSON SALAMANCA: Thank you. I'm just  
23 going to have shift briefly. The next line of  
24 questioning I'm just going to give Council Member  
25 Pierina Sanchez five minutes.

1  
2 COUNCIL MEMBER SANCHEZ: Thank you. Thank you so  
3 much Chair and good morning everyone. First, I just  
4 want to thank the Speaker and the Chair, Chair  
5 Salamanca for this hearing and at least parking this  
6 conversation in public. It's really important.

7 In Speaker Adams and Chair Salamana's remarks,  
8 they highlighted how low the homeownership rates are  
9 in New York City. So, 30 percent New York City, 53  
10 percent in the state and almost 70 percent, 65  
11 percent nationally.

12 In my community, fully 94 percent, as you will  
13 always hear me say, 94 percent of our 170,000  
14 residents in 55,000 households live in rental  
15 housing, only 6 percent own. This is one of the  
16 lowest homeownership rates in the city. We're also  
17 over 98 percent Black and Latino with a median income  
18 per work at \$23,000. This is, our neighborhood is a  
19 strong example as there can be of the horrific  
20 legacies of redlining discrimination and other  
21 policies, other racist policies of the past.

22 HPD uhm, we've talked about the fractional  
23 amount, relatively fractional amount of new  
24 construction that is going to homeownership. So, my  
25 first question is about where we live. About the

1  
2 city's plan to affirmatively further fair housing,  
3 which you have pursued even in the face of federal  
4 administrations that have deprioritized it, the last  
5 Administration. So, what does HPD's where we live  
6 plan say about what the city should be doing about  
7 homeownership opportunities and the racialized  
8 impact? And what is the city doing to change that  
9 neighborhoods of concentrated poverty like mine, like  
10 Chair Salamanca's and others have such low  
11 homeownership rates?

12 KIM DARGA: So, my recollection and I don't have  
13 the plan here today or full summary, so we can follow  
14 up if we've missed something but the big emphasis,  
15 one of the big pieces of what we emphasized in where  
16 we live was access and one of the reasons that we  
17 increased the limit for downpayment assistance was  
18 actually to give New Yorkers more choice about where  
19 they could buy in New York City. And that is also  
20 one of the reasons why as Ahmed mentioned a few  
21 minutes ago, we advocated for changes under state law  
22 to have more flexible loan authorities so we could  
23 not just rely on federal resources for downpayment  
24 assistance.

25

1  
2 I'm just going to give you a few examples. There  
3 is a price cap, so under federal and they're the home  
4 program. Homeowners, there's limits right, up to 20  
5 percent of the purchase price is one of the limits  
6 and even with that limit, how does it impose a  
7 maximum price that someone can purchase. In New York  
8 City, that covers a chunk of neighborhoods but  
9 certainly not all of New York City.

10 So, one of the things that we've been thinking  
11 about if we were going to expand the program using  
12 city resources is to eliminate those price caps.  
13 What we've seen is that the result is that people  
14 tend to buy smaller units. So, one of the big things  
15 that we've been pushing is downpayment assistance. I  
16 don't think that fully addresses your question around  
17 the share, right and that you are in a community that  
18 is I think 94 percent -

19 COUNCIL MEMBER SANCHEZ: Yeah, I'm sorry because  
20 I'm on the clock and I want to be mindful but I know  
21 that for my district, only .7 percent of new  
22 affordable units in the last decade have been  
23 homeownership. So, that's 12 homeownership units  
24 subsidized by the City of New York compared to 1,700  
25 rentals. That to me is not in comportment with what

1  
2 a city that is trying to affirmatively further fair  
3 housing would be doing. So, just highlighting that  
4 and yeah.

5 Also, just on downpayment assistance, 80 of AMI  
6 is an income of a household that is earning \$100,000  
7 for a family of three. My neighborhood is at about  
8 half of that. So, no downpayment assistance in a  
9 district like mine. No, uh, next to no homeownership  
10 production.

11 So, turning this into a question. What would  
12 resources need to look like for HPD to target Open  
13 Door to lower AMI levels to target - Open Door to  
14 target downpayment assistance to even get to  
15 something like 60 percent of AMI, 50 percent of AMI?  
16 And let me just, I'm just going to ask them because  
17 I'm going to run out of time.

18 Uhm, the homeowner, sorry Home First, the  
19 downpayment assistance program targets households  
20 making up to 80 percent of AMI. What level of  
21 additional resources would HPD need to make Home  
22 First viable for lower income households? And very  
23 important, just hearing your concerns about  
24 maximizing federal resources like LIHTC wanting to  
25

1  
2 leave nothing on the table in terms of the array of  
3 housing that HPD finances.

4 In the last decade, how often has HPD turned  
5 LIHTC subsidized rentals that expire into  
6 homeownership after year 15? Which I understand you  
7 are able to do. Are we leaving anything on the table  
8 there?

9 KIM DARGA: Okay, so Open Door, so as I  
10 mentioned, we have to if we're going to invest public  
11 resources we need to know that we're providing  
12 affordability within the community, and also because  
13 we impose income limitations. If we don't do that,  
14 there's not actually demand, right? So, we can go  
15 deeper but it requires more public resources and the  
16 other thing that I think we just need to be cognizant  
17 of is that there is correlation between income and  
18 debt income, and that in order to qualify for a unit  
19 within HPD financed housing, right? If you're coming  
20 through Housing Connect, you're getting financing  
21 within the private market. Meaning the lender is  
22 going to look at your credit score and your debt to  
23 income and you may or may not qualify for a loan  
24 based on factors outside of HPD's control, right?



1  
2       So, it's - while it's possible to do so, it is  
3 much more resource intensive. We are already  
4 investing on average last year \$410,000 a unit for  
5 the Open Door housing. So, if you were to bring down  
6 the AMI dramatically on the sales prices, the public  
7 investment would be significantly higher.

8       You could offset that if there were other  
9 resources and if it wasn't fully the city investing.  
10 On downpayment assistance, the current program serves  
11 households up to 80 percent AMI. The average income  
12 of a purchaser recently a family purchasing is  
13 \$68,000, so it's actually significantly lower. We do  
14 have low income households that are purchasing  
15 through that program. And then on conversions. You  
16 know this is an interesting question. The low income  
17 housing tax credit conversions are probably the most  
18 financially feasible because you don't - you  
19 shouldn't have significant acquisition costs,  
20 although you can. It is still possible that the  
21 current owner, if they are going to allow a  
22 conversion, there would be a sale involved, right?  
23 That's not all that was the case, it varies. Even  
24 with that, there are other factors that would be -

1  
2 need to be addressed in order for a conversion to be  
3 viable.

4       You'd want to know that at least 80 percent of  
5 the tenants are interested. At least 80 percent of  
6 the tenants are good standing on their rent payments  
7 and at least 80 percent of the tenants have attended  
8 training. Those are standard rules of thumb that we  
9 would use that have indicated that you have a group  
10 of residents that are ready to step into the  
11 ownership space and they have a critical mass of  
12 other residents in their property that are  
13 interested.

14       Where it is harder to actually effectuate  
15 conversions is if you have a non-regulated let's say  
16 tax credit property and there's a private site  
17 acquisition that also needs to be accounted for. In  
18 those projects, the residents basically have the  
19 sales price for the insiders, the current residents  
20 has to be sufficient to help cover the acquisition  
21 costs. And so, depending on the market that the  
22 property is in, that can be pretty high and may end  
23 up being some barrier to purchase.

24       Our downpayment assistance is available, so that  
25 might be a tool to help, but there definitely are

1  
2 some challenges. It's not impossible. We have seen  
3 a few requests specifically in the LIHTC preservation  
4 program to convert but there are also - it's complex  
5 and it may not work out in every project.

6 COUNCIL MEMBER SANCHEZ: Thank you Deputy  
7 Commissioner. Thank you Chair. Thank you Speaker.

8 CHAIRPERSON SALAMANCA: Thank you Council Member.  
9 Now, we will hear questions from Majority Whip  
10 Brooks-Powers followed by Majority Leader Farias.

11 COUNCIL MEMBER BROOKS-POWERS: Thank you Chair.  
12 Thank you Speaker for this much needed piece of  
13 legislation and hello HPD. I will start by saying  
14 thank you for recently helping to cut through some  
15 red tape with getting someone into a new home. So I  
16 do want to acknowledge that.

17 I'm going to ask all of my questions first so  
18 that I know that they'll get answered. I will repeat  
19 whatever you need. Uhm, the first thing is, as a Co-  
20 Prime Sponsor of Intro. 958 I'm concerned about the  
21 lack of investment by HPD in homeownership units.  
22 Only three percent of affordable units that HPD has  
23 financed citywide since 2014 are for homeownership.  
24 What percent of units currently in the HPD pipeline  
25 are designated for homeownership?

1  
2           Next, the Arbon East Development, which we've  
3 spoken about before privately but just on the record,  
4 wanting to ask this question. The Arbon East  
5 Development on the Rockaway Peninsula is set to  
6 feature 1,650 units including homeownership  
7 opportunities. How many homeownership units does HPD  
8 intend to finance as a part of the Arbon East  
9 Initiative? What measures has HPD taken to ensure as  
10 many residents in my district as possible are able to  
11 benefit from the homeownership opportunities as a  
12 part of Arbon East? I'd also like to get an update  
13 on the next phase of Arbon East with the  
14 homeownership, making sure that we have that  
15 commitment for the next phase two still include  
16 homeownership. And if not, a reason why. Does HPD  
17 have data on how many homeownership versus rental  
18 term sheets are used by HPD funded project year over  
19 year?

20           KIM DARGA: Can you repeat that?

21           COUNCIL MEMBER BROOKS-POWERS: Does HPD have data  
22 on how many homeownership versus rental term sheets  
23 are used by HPD funded project year over year? And  
24 by prioritizing the construction of rental units, HPD  
25 has deprived New Yorkers of the chance to build

1  
2 generational wealth for their families and  
3 contributes a displacement of renters that are forced  
4 to leave their neighborhoods due to increasing rent.  
5 Given the decades long housing crisis in New York  
6 City, do you believe that we should set an even  
7 higher threshold than six percent for homeownership  
8 units? And in my last two questions is just  
9 following up to something you said earlier. One, you  
10 made reference of 15,695 units financed last year.  
11 How many of those were homeownership? I think you  
12 said it but I didn't catch the number, so I just  
13 wanted clarity on that.

14       And then uhm, lastly can the office of the  
15 homeowner advocate be utilized to offset some of the  
16 burden that you speak to? Because I know you said  
17 it's labor intensive with the homeownership  
18 opportunity but is there a way that HPD could  
19 leverage that new office to support potential  
20 homeowners in terms of getting some of the  
21 requirements together and making them more viable to  
22 become homeowners?

23       Okay, last, last question. Ocean Crest, I'd just  
24 like an update on Ocean Crest, which is the project  
25 that the Chair mentioned. Thank you.

1  
2 KIM DARGA: Alright, I think I got that all but  
3 if I missed anything maybe help me out okay.  
4 Alright, uhm let's see so the number of homeownership  
5 units financed last year - yeah, can you give me one  
6 second? I can check that. So, it was I believe  
7 2,130 units with homeownership. Uhm, and that is a  
8 mix of preservation and new construction as well as  
9 downpayment assistance. A lot of our - I just want  
10 to take a step back. HPD has financed actually a  
11 fair amount of homeownership over the years. Most of  
12 it was because the city had a lot more public land  
13 and so, and because of urban renewal right? So, the  
14 Mitchell Lama program for example.

15 So, a lot of our work has focused on preserving  
16 those homeownership opportunities and that's why you  
17 see a lot of our resource investment has gone into  
18 preservation of existing limited equity homeownership  
19 opportunities in New York City, as well as more  
20 recently an increasing emphasis on providing support  
21 to existing one to four family homeowners. Okay?  
22 So, let me try to go back and cover some of the other  
23 questions. The project questions really quickly.  
24 So, Arbon East, I don't have the total count of  
25 homeownership opportunities. We have been working

1  
2 with the development team there to try to figure out  
3 if it's possible to include homeownership in the next  
4 phase. So, we are in active discussions looking at  
5 that.

6 COUNCIL MEMBER BROOKS-POWERS: I'm sorry, what  
7 would be the barrier for that to be in this next  
8 phase, which it should be in?

9 KIM DARGA: I mean it's really just again; we  
10 have a certain amount of resources. If we did all  
11 homeownership in the next phase, I have a large  
12 number of other projects in other parts of the city  
13 that I'm also trying to finance. So, just trying to  
14 make sure that we can move multiple projects forward.

15 COUNCIL MEMBER BROOKS-POWERS: Like a model as we  
16 discussed, is homeownership and rental in one unit.

17 KIM DARGA: Yes.

18 COUNCIL MEMBER BROOKS-POWERS: Which is something  
19 that I think some of my colleagues would be looking  
20 to do also as a look for homeownership opportunities  
21 and finding that balance. So, HPD has to kind of  
22 figure out how to make that work because we make  
23 these commitments. We vote on ULURP projects with  
24 commitments for homeownership and certain things to  
25 take place but then once we vote, we have no more

1  
2 power. It's left with HPD to facilitate this in  
3 terms of making sure they're prioritizing in the  
4 pipeline but what I'm finding is these projects are  
5 getting changed after we've taken a vote on it.

6 KIM DARGA: Okay, so for context right? So, that  
7 is what we're trying to figure out is if we can  
8 finance some homeownership in the next phase. 90  
9 units of homeownership let's say in the next phase  
10 would cost us \$36 million, which is basically half of  
11 our budget this year for Open Door. We have projects  
12 in many other communities that are also where they  
13 are ready to close and so, we're trying to figure out  
14 - this is the question that we are constantly  
15 grappling with right? Every Council Member here has  
16 potential projects that they're interested in  
17 financing that have that too. So, I'm trying to  
18 balance the resources and figure out how to advance  
19 as much as possible.

20 So, we are interested in doing that but it really  
21 is going to come down to do we have the resources in  
22 the near term to do it?

23 COUNCIL MEMBER BROOKS-POWERS: And those 90 units  
24 for that phase is out of how many?

25 KIM DARGA: I don't have the - I don't have the -



1 AHMED TIGANI: I think the full Arbon.

2 COUNCIL MEMBER BROOKS-POWERS: No, not the full  
3 for that phase because 90 is just a fraction of how  
4 many rental units you're still getting out of it and  
5 then also, I always have this question. You know  
6 we're asked and pressured at times to make these  
7 votes on these large developments that HPD is not  
8 prepared to even push through the pipeline for years  
9 to come. So, are we taking these votes too soon at  
10 this point because HPD does not have the capacity or  
11 bandwidth to make sure that they are going in a  
12 timely fashion?

13 KIM DARGA: So, let me take a step back and get  
14 some context. Five years ago, six years ago, if  
15 somebody came in and wanted to work with HPD, the  
16 predevelopment period on new construction project  
17 might be two to three years. If you have to entitle  
18 a site, go through ULURP, it could be longer. Costs  
19 have escalated at such a degree the last couple  
20 years. We cannot finance as quickly because the pot  
21 of resources just does not go as far.

22 So, for example, we gave \$800 million a year in  
23 volume cap. That is one of the major sources to  
24 finance affordable rental housing in New York City.  
25

1  
2 That \$800 million is essentially the same from 5, 6,  
3 7, 8, 9, 10 years ago as it is today. Right, so it's  
4 not that we don't want to advance the projects as  
5 quickly as possible. In fact, that is our goal right  
6 is that we have been an environment where costs are  
7 up 30, 40, 50 percent, right. Interest rates are up.  
8 Operating costs are up. Construction costs are up  
9 and so we're trying to do as much as possible, as  
10 quickly as possible but some of that is out of our  
11 control.

12       Fortunately the capital budget has it's very  
13 robust but all of the other resources that we depend  
14 on have not grown. Right, so our Section 8 budget  
15 has not grown. Our low income housing tax credit  
16 allocation has not grown and so, we're basically  
17 doing, we're trying to do as much as we were five  
18 years ago without necessarily the resource landscape  
19 to do it.

20       So, all of these - you know we can go through and  
21 ask every one of these questions but that is the  
22 heart of one of the challenges that we're grappling  
23 with -with this legislation right? Is that we are  
24 trying to do as much - we have 100,000 people in  
25 shelter. We have a vacancy rate on the rental side

1  
2 of 24 percent for the lowest cost units. We have, I  
3 think, a moral obligation to try to finance as much  
4 deeply affordable rental housing as we can in New  
5 York City. So, homeownership is absolutely an  
6 important prong and that's why we have this robust  
7 strategy retain -

8 COUNCIL MEMBER BROOKS-POWERS: Sorry, not to cut  
9 you off because I just want to clarify something  
10 because we have an obligation to house New Yorkers  
11 for sure but there are New Yorkers who are renting  
12 that want to become homeowners. There are New  
13 Yorkers in shelter that are city workers that have  
14 the bandwidth and would like to be homeowners that if  
15 we were creating these opportunities and avenues they  
16 would take advantage of. So, it's important to not  
17 just look at one avenue for New Yorkers but to really  
18 look at it and create opportunities for New Yorkers  
19 to create generational wealth as well. And I know  
20 you all say this and you said this in past hearings  
21 and I just really can't stand for it suggesting that  
22 there's no New Yorker here or that's viewing that  
23 wants to be a homeowner and that's not true.

24 KIM DARGA: That's not what we're saying. We  
25 agree with you. I think the question is like what -

1  
2 HPD has a certain resource pot and the needs are  
3 extremely robust on the rental housing side, right?  
4 We know there are a lot of people that are unhoused  
5 today and we know there are a lot of people that are  
6 in housing today that where the conditions are not  
7 great, right? So, the question isn't do we not do  
8 it. It's right how do we address the really urgent  
9 needs while also trying to provide these other  
10 opportunities?

11 AHMED TIGANI: And just I'm going to move into a  
12 - I think we agree strategically it's not or the  
13 other. We are focused obviously on the lowest  
14 barrier to get people in immediate shelter and  
15 housing but also I think you point out, we know that  
16 New Yorkers want to be homeowners and we have an  
17 obligation to give them the information and make sure  
18 they know how to get on that pathway to do that and  
19 so first of all, you know thank you for you know  
20 working with us in the homeowner advocate bill.

21 I actually have with us here Assistant  
22 Commissioner Jamie who is our homeowner advocate and  
23 I wanted to talk about a little bit of the work that  
24 she is doing. You had mentioned what resources we  
25 have to help and assist homeowners. We've already

1  
2 talked through the Homeowner Help Desk and the work  
3 that they're going to do through the five boroughs  
4 but in addition to that, HPD is currently launching a  
5 new set of new homeownership information classes that  
6 works in tandem and parallel to that work. Owning a  
7 home in NYC specially for homeownership for  
8 homeowners or perspective homeowners. This is in  
9 addition to working and expanding the work of the 20  
10 homeownership counselors funded by HUD and continuing  
11 to get education and out the 60 or so housing  
12 ambassadors in and around New York City.

13       You know we - I know we have at least one in your  
14 district and I think we've been talking to them about  
15 working more to get information that they may need  
16 and we'll continue to connect them with the Office of  
17 the Homeowner Advocate to make sure we're doing  
18 robust programming there.

19       The other thing that I think is important to note  
20 is that when we work with homeowners, it's not only  
21 through HPD, so whether it's Department of Finance,  
22 DEP, it's not a siloed approach. We are constantly  
23 talking as agencies together. How do we triage the  
24 issues that come up? How do we get information out  
25 to be prospective about that?

1  
2           And I think on the displacement side, you know  
3 the issue of New Yorkers not being able to grow and  
4 live in the neighborhoods that many of them help  
5 build is something that drives everyone to work every  
6 day here at HPD.

7           You know I always point to the fact and we've  
8 talked about this at the Housing Vacancy Survey that  
9 rent stabilization is probably one of the most  
10 critical tools that we've had to make sure that we're  
11 maintaining neighborhood cohesion and economic  
12 diversity. You know that's something that in a city  
13 that's two-third rental was a big priority to make  
14 sure that we're defending the changes to the 2019  
15 Rent Stabilization Law, further advanced the  
16 protections there. And as we continue to create  
17 stability there, to your point, you can't just do one  
18 or the other, it gives us the opportunity and the  
19 space to think about how do we help those who want to  
20 continue the pathway. So, you have people who have  
21 stronger homes looking to build into larger homes and  
22 you have people looking for starter homes.

23           And there's a number of ways that we can do that  
24 with HPD but as the Deputy Commissioner said, you  
25 know part of this outside HPD's purview. We can

1  
2 provide the downpayment assistance but if interest  
3 rates are stubbornly high, it's hard for them to get  
4 the loans to be able to move into that space. We can  
5 help prepare them. We can help create more housing  
6 but we need to really give them the tools to be ready  
7 when the market piece is there and that's where we  
8 come down to downpayment assistance, which is a  
9 fraction of the cost of creating new housing. It  
10 happens in a slower timeline and can be activated  
11 faster and help people now. Especially when you're  
12 talking about trying to align to outside market  
13 forces that change. You need the fastest and  
14 swiftest tool to be able to put them in the position  
15 to get into homeownership.

16 COUNCIL MEMBER BROOKS-POWERS: And I didn't get  
17 the data information but I'm going to ask the Chair,  
18 just in the interest of time if we can ask them to  
19 give that to us after the hearing.

20 AHMED TIGANI: Absolutely.

21 COUNCIL MEMBER BROOKS-POWERS: Thank you. Thank  
22 you for your responses.

23 CHAIRPERSON SALAMANCA: Thank you. Now we will  
24 hear from Majority Leader Farias.

25

1  
2 COUNCIL MEMBER FARIAS: I know you folks have  
3 just been waiting for my questions. We know as was  
4 stated already by our Speaker and Chair the home  
5 prices doubled, making it impossible for people to  
6 live here at times and let alone even dream to own in  
7 New York City. While we've been focused on - you  
8 folks have been focused on preserving a lot of our  
9 existing homeownership, HPD also has a variation of  
10 means to offer affordability and term sheets for  
11 development. And while I think we've been discussing  
12 a lot of the LIHTC. I still haven't quite heard the  
13 why we are not offering the financing opportunity on  
14 mixed rental and homeownership buildings and maybe I  
15 did hear it in a variation of capacity and multitudes  
16 of that but I'd like a few folks to talk a little bit  
17 more. And then if possible why aren't we offering or  
18 looking at creating a term sheet for this, the mixed  
19 rental and homeownership buildings and that  
20 possibility as an offering from HPD. I think the  
21 model itself presents a lot of different potential in  
22 benefits for communities in New York City, especially  
23 ones that look like mine and I think another part of  
24 this just to kind of piggyback off of what the  
25 Majority Whip was stating is we - the more families



1  
2 and individuals we move out of rentals and into  
3 homeownership freeze up the rental units.

4 And so, I hope, I mean I know we all are looking  
5 at it as a sick little kind of more comprehensive way  
6 but we do have to also envision that in creation of  
7 homeownership means we're also getting to move and  
8 transition people into different housing, which means  
9 we get to open up and offer up already existing units  
10 while we're still building to meet the capacity.

11 So, if you folks can talk a little bit about the  
12 HPD term sheet.

13 KIM DARGA: Sure, so there's no dedicated term  
14 sheet for mixed rental homeownership but it is  
15 something that we are open to. Uhm, we are actually  
16 exploring on a couple sites and I think it's really;  
17 you know again we have to look at financial  
18 feasibility. We're still working within the pot of  
19 resources that we have. I also think we're as we're  
20 seeing some of the projects, we're also thinking  
21 through kind of operations and long term  
22 implementation questions. I don't think that those  
23 are - there's nothing prohibitive so much about that  
24 model. It's like there are some questions about long  
25 term management and operations that we have to work

1  
2 through, especially with our development partners  
3 that haven't done that so much before.

4 COUNCIL MEMBER FARIAS: Okay, is there general  
5 concerns or prospective challenges that you see maybe  
6 are already reflective with other agency work or a  
7 state level agency work?

8 KIM DARGA: No, I think again, it's a model we're  
9 exploring. I think we're open to continuing to  
10 explore it and I think it's a question of - it's the  
11 same question around just resource allocation and uhm  
12 making sure that we can serve as many New Yorkers as  
13 possible.

14 COUNCIL MEMBER FARIAS: Okay, I think we'd love  
15 to continue that conversation. I'd like to just into  
16 just one question on backlogs on closings and the  
17 connection of maintaining the approved financing. I  
18 think for most of us, when we approve a project and  
19 we agree on financing our unit count or the  
20 affordability levels with AMI. As the Majority Whip  
21 stated, we end up with a 2 year, 3 year, 4 year  
22 development of that building that over time,  
23 sometimes, most times, changes how the financing  
24 looks for that development team and the benefits that  
25 the community gets.

1  
2       Is it capacity or resources within HPD outside of  
3 maybe some of the financing issues that you've  
4 already kind of went around? Looking at closings and  
5 looking at deadlines on how to move projects through  
6 that are maybe more on time or could be more  
7 beneficial to the community?

8       KIM DARGA: Yeah, so I think the big challenge, I  
9 mean I think we all fortunately interest rates, the  
10 Fed voted, I mean agreed yesterday to reduce but in  
11 the last four years, we've experienced extreme  
12 inflation and that has meant that the cost of  
13 building real estate has gone up pretty dramatically.  
14 And the impact of that fortunately as we talked about  
15 our capital budget has grown dramatically and that is  
16 how does - keep pace with some of the production work  
17 but the other resources that we rely on to finance  
18 our housing have not grown.

19       And so, it does mean that it's taking longer to  
20 finance some of our projects than it did before.  
21 Uhm, that doesn't mean that we don't remain committed  
22 to the project and we certainly are committed to  
23 achieving the affordability that was discussed and  
24 agreed upon. Uhm, you know expenses grow and AMI has  
25 grown and so, you know it's, we know that that means

1  
2 that the rent we thought was 30 percent AMI five  
3 years ago and the rent that it is today isn't  
4 necessarily the same but we - you know we don't  
5 control the operating costs, growth and you know and  
6 so, we need to make sure that projects are  
7 financially viable.

8 The commitments that were agreed to are  
9 commitments that we absolutely intend to keep to the  
10 maximum extent possible.

11 COUNCIL MEMBER FARIAS: Chair, if I may have a  
12 few more minutes?

13 CHAIRPERSON SALAMANCA: Yes.

14 COUNCIL MEMBER FARIAS: Thank you. And then in  
15 terms of the closings that you folks have said, how  
16 many of them do we look at per quarter, per year and  
17 do we look at it across the five boroughs?

18 KIM DARGA: So, the number of closings can vary  
19 dramatically year to year because we are financing a  
20 huge range of different types of real estate right?  
21 Everything from providing home repair loans to single  
22 family homeowners to downpayment assistance, to  
23 financing large multifamily new construction, smaller  
24 multifamily new construction, supportive housing,  
25 preserving and providing you know renovation

1 assistance for HDFC cooperatives and Mitchell Lama's  
2 and former LIHTC properties like everything you could  
3 imagine we're basically providing assistance in some  
4 way. We are closing thousands of transactions. Most  
5 of them are through the As of Right programs that are  
6 easier for us to administer and less resource  
7 intensive, so 421A and inclusionary housing has a  
8 huge volume of transactions and of course, a lot of  
9 transactions with individual homeowners. So,  
10 downpayment assistance and through our home repair  
11 programs.

12 The amount really varies in terms of  
13 transactions. We're trying to get to a certain  
14 amount of households that we're serving annually.  
15 And so last year right we financed over 25,000 units  
16 of housing, which is a mix of new construction and  
17 preservation. Our goal is to finance as much as  
18 possible because we know the needs are so  
19 significant.

20 AHMED TIGANI: The only thing I would add is that  
21 there's also program areas that are important. So,  
22 whether we are trying to increase and meet our  
23 benchmarks for supportive housing, for senior  
24 housing, and then additionally when we look across  
25

1  
2 the year, there are different points where we see  
3 external activity about what financing will have.  
4 So, there are two points at least in the year where  
5 we know where we're going to our LIHTC funding and we  
6 know how that will impact each of the different  
7 points in the closing season. There are things that  
8 close in between the closing season but those main  
9 points and understanding what the external factors  
10 would be, what will flow down from the federal  
11 government and stay to us, helps to find some of  
12 that. And then we position the capital resource to  
13 match that and then see what else we can do both on  
14 the program side and using those funding sources.

15 COUNCIL MEMBER FARIAS: Okay and then I just have  
16 a last quick question around - support around  
17 Mitchell Lama's and cooperatives and the preservation  
18 efforts. I'd like to hear any thoughts about working  
19 with DHC or at the state and how any challenges  
20 presented by their management or in my opinion for  
21 some of my properties in my district, mismanagement  
22 of them and how it's impacting the folks that we've  
23 over decades attempted to help them create  
24 generational wealth and be homeowners in our  
25 communities that are now you know seeing massive

1  
2 increases and we're potentially, even the Council has  
3 now seen a Mitchell Lama have to move out of the  
4 Mitchell Lama program because of that mismanagement.  
5 And I wonder how that impacts your work and the  
6 preservation efforts that you folks have.

7       KIM DARGA: Yeah, I mean this is uhm, the issues  
8 facing existing buildings have been really  
9 significant the last couple years. I mean, we say  
10 there's been cost increase and that's increase to the  
11 cost of real estate construction but when you're  
12 talking about an existing building, you can't you  
13 know raising rents has different implications right  
14 or raising maintenance has different implications.  
15 There's people living there today, not people that  
16 are choosing to move into a place. So, we are as  
17 equally concerned as you are about making sure that  
18 we are doing everything we can to ensure good housing  
19 quality within that housing quality within that  
20 housing and it can stay as affordable as possible.

21       We have been working and talking a lot with the  
22 state recently, particularly about Mitchell Lama's  
23 and if there are ways that you know things that we  
24 could do, additional resources that we might be able

1  
2 to bring to bear in order to help make sure that  
3 those properties remain in good condition.

4 AHMED TIGANI: Yeah, I was just going to add.

5 So, to get down to some of the specific items, so  
6 Mitchell Lama's are actually a place where we use a  
7 pretty significant portion of our Section 8 or  
8 federal housing vouchers to make sure we're  
9 stabilizing. I think we have at 5,500 vouchers in  
10 Mitchell Lama's and we continue to do that work.

11 It's part of that stability work where we're using  
12 vouchers. We're also actively using the SCRIE  
13 program as we see maintenance increases that may have  
14 to come up. I mean from HPD's perspective, we have  
15 about you know 96 developments, 47,000 units. It's a  
16 big part of the work we did last year. I think Kim  
17 had mentioned we spend around \$97 million. I think  
18 we've spent somewhere around \$760 million since 2014  
19 just stabilizing the Mitchell Lama stock.

20 So, we're looking at a couple of things. There  
21 are powers that the state has that we don't have.  
22 There are things that we can do on the local level.  
23 Everything from you know what the taxes are in a  
24 building to the use of housing vouchers to the  
25 reliability and the consistency of maintenance to



1  
2 meet the accelerating costs, we're trying to map this  
3 out into a strategy and work smart. Because we have  
4 resources and we have to make sure we're using this  
5 in a smart way.

6 KIM DARGA: I would just say I mean if there are  
7 particular issues that you're seeing, please reach  
8 out to us.

9 COUNCIL MEMBER FARIAS: [INAUDIBLE 01:58:39] my  
10 list again. You both got my list.

11 KIM DARGA: Right.

12 COUNCIL MEMBER FARIAS: I appreciate the  
13 responses. I think that there's because of the  
14 jurisdictional capacities that we have and I think  
15 we've kind of left that gap to each of our - you know  
16 the state doing their thing. The city doing our  
17 thing, have left families at high risk of losing  
18 their homes and at the end of the day, these  
19 Mitchell's, whether they're run by DCHR or they're  
20 run by us, they are within the city and I think it's  
21 really critical for us to have a larger hand and at  
22 least the oversight that the state is doing or the  
23 lack thereof that they are doing and looking at the  
24 HOA's, the Boards, the management properties that are  
25 not actually putting in place the standards that need

1  
2 to be practiced by a lot of these properties and are  
3 putting our families at risk of losing their homes.

4 So, we will continue the conversation on the  
5 properties I have in my district but there is a  
6 larger conversation that needs to happen between the  
7 city and the state as we continue discussing  
8 homeownership and preservation of homeownership.

9 Thank you Chair and thank you folks.

10 KIM DARGA: Great thank you.

11 CHAIRPERSON SALAMANCA: Alright, thank you. I  
12 just want to recognize Councilwoman Deputy Speaker  
13 Ayala.

14 COUNCIL MEMBER AYALA: I have a couple of follow  
15 up questions. Regarding the TILT program, do we know  
16 what the existing number of buildings that never  
17 transition that are kind of stuck in that you know,  
18 in that spaces?

19 KIM DARGA: Yeah, so we have financed I believe  
20 56 buildings since we launched the affordable  
21 neighborhood cooperative program in 2012 and we have  
22 71 left in city ownership.

23 COUNCIL MEMBER AYALA: Only one left.

24 KIM DARGA: That we are working to finance and  
25 uhm, that is one of our biggest priorities when it

1  
2 comes to new affordable homeownership. We actually  
3 this year made some program modifications. We, I  
4 think, engaged with a number of Council Members on  
5 this that have buildings in their district around  
6 increasing the capital commitment on our end in order  
7 to reduce the amount of private debt used to finance  
8 the buildings. And also, we've been trying to think  
9 about how to give the residents a say in selection of  
10 the developer that's going to work with them to  
11 renovate the building.

12 AHMED TIGANI: I think and just to add, also this  
13 is one of those programs where it's at one of our  
14 lowest points of AMI setting for the maintenance.  
15 So, we heard earlier trying to set I think it's  
16 around 40 percent of AMI but it does come at a great,  
17 it's one of the costs of these programs that we have  
18 and more than doubled other programs. So, it's an  
19 important commitment to make but because of what  
20 we're trying to do here it's a large strain on  
21 capital source.

22 KIM DARGA: Just to take that like a point  
23 further, so the ANCP projects and the last year of  
24 cost just under \$600,000 per unit for us to renovate  
25 and put on a path to homeownership. That is a

1  
2 commitment we are absolutely dedicated to. It is a  
3 good example of how you know this is just as we're  
4 trying to figure out how to do everything, right  
5 financing new and financing that at the same time.  
6 These are the types of things that become really  
7 difficult to juggle. We would like to make sure we  
8 move that pipeline as quickly as possible before we  
9 think about where we're putting additional resources.

10 COUNCIL MEMBER AYALA: What is the budget for  
11 that particular program?

12 KIM DARGA: This year it's I think at like \$135-  
13 ish million. Oh, \$114, I was a little off.

14 COUNCIL MEMBER AYALA: When you divide that by  
15 \$600,000 per - it's not a lot of units.

16 KIM DARGA: Yes, we could like to do more. One  
17 of the things that slowed that pipeline down a little  
18 bit recently, we had a lot of staff turnover. Now we  
19 have a great team but it was taking a minute to  
20 understand the issues that residents were raising  
21 about the debt, some of the reluctance to move and I  
22 know there's a lot of concerns given how long it's  
23 taking. I am not going to dismiss that, right  
24 because it has been a long time since they entered  
25 city ownership. But making sure that they felt like

1  
2 they were working with partners they could rely on  
3 and that's where like we've been testing out this  
4 model where the residents have a choice of developer.

5 And so, that slowed down some of the projects a  
6 little bit but we've tested it now and we feel like  
7 there's a good approach there and we're ready to move  
8 forward.

9 COUNCIL MEMBER AYALA: So, is there like a five  
10 year plan, a ten year plan to -

11 KIM DARGA: Oh no five year - we want absolutely  
12 to finance these projects within five years.

13 COUNCIL MEMBER AYALA: Okay, alright. I mean I  
14 love the CLT model. The Council has been working  
15 really hard to create you know more CLT's throughout  
16 the city and I think that there's also an opportunity  
17 for those buildings, you know if engaged  
18 appropriately right to have a conversation about  
19 maybe also entering the CLT. I think it offers a lot  
20 of protection. I recently was looking at units for  
21 rent, for sale and ran across an HCFC building where  
22 the unit was being you know, I think it was being  
23 sold for a worth of \$700,000. That shouldn't be  
24 happening because these are not profit bearing  
25 opportunities right. These are -

1  
2 KIM DARGA: Well, there limited equity homes  
3 which means that it's a balance of long term  
4 affordability with profit right for the shareholder.  
5 If there's not some value, then you know what's the  
6 value of homeownership if you don't derive -

7 COUNCIL MEMBER AYALA: I mean if you buy it for  
8 \$250 you shouldn't be selling it for \$700. That's  
9 why I like and I support the CLT model because  
10 whatever the purchase price is whatever you're going  
11 to get on you know if you want to buy out. And it  
12 ensures that the model is protected in the way that  
13 it was intended because what we've seen is there's  
14 been a lot of turnover in these buildings and people  
15 have either decided to sublet or you know sell out  
16 right and then buy elsewhere and then we have you  
17 know folks of a higher income moving into these  
18 spaces and that's not why the program was created.

19 AHMED TIGANI: You know whether it is CLT or  
20 otherwise, even in our own regulatory agreements,  
21 like over the years we've learned how to respond to  
22 issues that we've seen and in our own regulatory  
23 agreements, you know we've continued to refine and  
24 make tighter and tighten more closely to the promise  
25 of affordability in the intention and goals.

1  
2       So, especially now as we work with buildings  
3 whether through new or refinancing and preservation  
4 work. Most of those - those limitations are more  
5 closely hue to the AMI's that we're trying to commit.  
6 So, you see less of that in the buildings with newer  
7 regulatory agreement.

8       COUNCIL MEMBER AYALA: Yeah, I mean I just think  
9 that if the CLT like you know Cooper Square is  
10 already there. We could learn right from some of  
11 their best practices and utilize some of that, that  
12 data to help support right, not only the  
13 redevelopment but the preservation of the buildings  
14 that are still left on the pipeline.

15       KIM DARGA: Yeah, one of the areas where we - I  
16 mean, you know we are absolutely excited to have new  
17 partners coming to the table, the CLT groups are  
18 newer in this space and we need as many partners as  
19 we can to do the work that we have. One of the  
20 things that I we're most excited about is on  
21 homeownership projects that you have another group  
22 there that can help provide ongoing support over  
23 time, ensure you know that the co-op is complying  
24 with the regulations, but also provide the technical  
25

1  
2 and financial support if necessary. So, we also  
3 agree that there's some real benefit there.

4 COUNCIL MEMBER AYALA: Absolutely and then  
5 finally, I'm sorry Chair. The - I'm looking at the  
6 Home First web page.

7 KIM DARGA: Yup.

8 COUNCIL MEMBER AYALA: And so I just you know  
9 curious because I see that the AMI, the 80 percent  
10 right and with inflation you know prices are more  
11 expensive. Things have you know gotten you know  
12 renting has gotten more expensive. Obviously you  
13 know purchasing you know has been impacted by  
14 increasing rates. Is that like a set rate? How does  
15 HPD determine whether or not it should be increased  
16 to be more realistic and reflective of the times?

17 KIM DARGA: That's a great question. So we have  
18 only been able to use federal funds for this program  
19 until last year, when the state legislature amended  
20 our loan authority. Now we have the legal authority  
21 to actually provide downpayment assistance. So,  
22 we're trying to figure out now what an expansion  
23 could potentially look like. We've been looking at  
24 whether we expand to moderate income households.



1  
2 As I mentioned earlier, there are parts of the  
3 city where the HUD imposed purchase price limits  
4 actually do restrict an ability to buy in that  
5 household, even if you had the resources to be able  
6 to do it. Uhm, so we're looking at those two factors  
7 particularly in terms of you know now that we have  
8 the ability to use city resources, what would that  
9 look like.

10 AHMED TIGANI: And I will just add, so yesterday,  
11 we just relaunched our homeowner informational web  
12 page on HPD's site. It builds a lot of work actually  
13 that Jenny and Steven who is our Assistant or Acting  
14 Assistant Commissioner for Homeownership  
15 Opportunities and lives CLT, so if you ever want to  
16 talk CLT, Steven is your guy.

17 So, we had a couple years ago put out our  
18 homeowner manual, which many of your offices were key  
19 in getting the word out. Sort of gotten into the  
20 hands of thousands of people both hard copy and  
21 digital. We have now revamped and expanded that  
22 resource manual. It's going to be coupled with the  
23 expansion of the Homeowner Help Desk and the key here  
24 is that as an individual homeowner, going to that  
25 website to find out or a perspective homeowner, going

1  
2 to that website to find what training, what classes  
3 are available, what city and state resources, because  
4 the city has a downpayment assistance program but  
5 also the state has a downpayment assistance program  
6 up to \$100,000. So, this is us working together and  
7 then focused on the technical assistance moving  
8 forward calling our Homeowner Help Desk. There is  
9 someone who will make a referral to a technical  
10 advisor where they'll talk through your problems and  
11 figure out what the right referrals will be. And I  
12 know there are additional programs coming out of our  
13 work with the Council as well, so appreciative of the  
14 funding and efforts, investments you're making toward  
15 helping in perspective in current homeowners.

16 COUNCIL MEMBER AYALA: No, I appreciate that.  
17 Can you tell me what the - my final question- with  
18 the Home First program funding is? What is the  
19 funding for that program?

20 KIM DARGA: What are we using right now?

21 COUNCIL MEMBER AYALA: Uh huh.

22 KIM DARGA: So, we're using home funds right now.  
23 We are - we can now use capital as well, so we did  
24 put \$5 million, there's \$5 million in the budget this  
25 year to be able to expand what we can do in the home.

1  
2 So, we added, I think we have \$10 million overall in  
3 home funding. We added \$5 million in capital this  
4 year. We are hoping to be able to serve more  
5 homeowners and we're trying to figure out now if we  
6 also expand to moderate income households. It is up  
7 to \$100,000 that is available per first time  
8 homebuyer.

9 AHMED TIGANI: And this message hasn't come  
10 through. In addition to LIHTC capacity, federal  
11 support for increase home funds would be great. So,  
12 we'll make sure that we're letting you know about the  
13 things that we're pushing our federal partners on and  
14 could use support.

15 COUNCIL MEMBER AYALA: Thank you.

16 CHAIRPERSON SALAMANCA: Alright, we're going to  
17 allow Council Member Selvena Brooks-Powers to ask a  
18 last question.

19 COUNCIL MEMBER BROOKS-POWERS: My last, my last,  
20 last, question I promise. So, my understanding is  
21 this, federal funding through HUD that trickles down  
22 from the state to the city. Can you just tell us how  
23 much money the city received and how much of that has  
24 been used to create homeownership opportunities?

25 KIM DARGA: So we -

1  
2 COUNCIL MEMBER BROOKS-POWERS: That was a part of  
3 the money we used for Ocean or we're looking to use  
4 for Ocean Crest, so I just would like to know how  
5 much the city has received? How much of it has been  
6 committed already out of that pot?

7 KIM DARGA: Okay, so we use home funds to federal  
8 funds to fund our downpayment assistance and we - I  
9 need to double - I think we have \$10 million in home  
10 funds this year, which is an increase but folks are  
11 double checking. Okay, uh yeah, so we - it was an  
12 increase that in home funds at the local level. We  
13 are - there's only so much home that New York City  
14 gets and so, we really, we also use it to build  
15 senior housing in New York City. In fact, that's one  
16 of the major sources for our senior affordable rental  
17 assistance program. Those are the two main uses.

18 COUNCIL MEMBER BROOKS-POWERS: Is that the same  
19 pot we're talking about because this is specific? My  
20 understanding it was the homeownership.

21 AHMED TIGANI: I think this is AHOP, the state  
22 AHOP program.

23 KIM DARGA: So on the federal level, we're using  
24 Home. That's for downpayment assistance. We don't  
25 use it to finance real estate, we finance homeowners

1 right through the downpayment assistance program. At  
2 the state level, there are two main sources that we  
3 are using today in projects and this may be what  
4 you're thinking of. There's the Affordable  
5 Homeownership Opportunities program, which is \$400  
6 million at the state level. We expect a portion of  
7 that to be allocated in New York City to support  
8 particularly Open Door projects. And then in  
9 addition to that, there is the AHC funds, Affordable  
10 Homeownership Corporation, which provides assistance  
11 to homebuyers depending on their income. It also  
12 helps us support our affordable neighborhood  
13 cooperative program projects. So, those are the two  
14 program where most of that state money is flowing in.  
15 The state also is uhm, Ahmed mentioned has a  
16 downpayment assistance program. We separately  
17 administer ours and theirs and so, there are the main  
18 sources.  
19

20 COUNCIL MEMBER BROOKS-POWERS: And all of the  
21 money is being used up?

22 KIM DARGA: Yes there is uhm, we would welcome  
23 additional state resources and federal resources. We  
24 could use more.

25 COUNCIL MEMBER BROOKS-POWERS: Thank you.

1  
2 CHAIRPERSON SALAMANCA: Alright, thank you very  
3 much. I want to thank you both for your testimony  
4 and there's some follow ups on some of the questions  
5 that you did agree to follow up. We're going to  
6 begin with our public testimony so we'll allow the  
7 panel to exit and then counsel will bring up the  
8 first three members for public testimony.

9 COMMITTEE COUNSEL: For those of you still with  
10 us in the room, people who have signed up to testify,  
11 we are calling Alysha Habib, Jamie Smarr, Brendan  
12 Cheney. Is that Alysha Habib and Jamie Smarr? Are  
13 you Jamie Smarr or Brendan Cheney? Jamie Smarr is  
14 not here? Do we have Anthony Coker? We can start  
15 with Alysha Habib. Two minutes.

16 ALYSHA HABIB: Good afternoon I am Alysha Habib.  
17 I want to thank the Land Use Chair, Rafael Salamanca  
18 Jr., and the rest of the Committee for the  
19 opportunity to speak. Thank you.

20 I'm a HUD certified pre-purchase housing  
21 counselor at Chhaya CDC, which was founded over 20  
22 years ago to address the housing and economic needs  
23 of low income and immigrant South Asian and Indo-  
24 Caribbean New Yorkers. I support first time  
25

1  
2 homebuyers through group education, one-on-one  
3 counseling and housing resource fairs.

4       This year I've seen 89 first time homebuyers,  
5 however only six clients were able to close on a  
6 home. Four of those clients were only able to close  
7 using the Home First Downpayment Assistance Program,  
8 two off which had won the affordable housing lottery  
9 as well as one had purchased a co-op. Many clients,  
10 including those with sufficient savings, excellent  
11 credit and steady income are frustrated about their  
12 inability to begin their homebuying journey due to  
13 the lack of affordable properties. It has become  
14 increasingly difficult for first time homebuyers to  
15 find properties that qualify under the HPD grant  
16 purchase price limits. For instance, for a single  
17 family home in Queens, the limit is \$684,000. The  
18 assistance the city provides to go towards the down  
19 payment and closing cost is not enough until there's  
20 an increase in affordable housing as well.

21       My clients continue to mention that they want to  
22 buy properties in their communities but it has become  
23 unaffordable. They have to shop for properties in  
24 neighborhoods they aren't familiar with that are not  
25 close to resources that speak their languages and if

1  
2 this continues, these communities will diminish and  
3 New York City, the best part of New York City is the  
4 diversity in our communities.

5 The passage of this bill, Intro. 958 will make it  
6 possible for our clients to achieve their dreams of  
7 becoming a homeowner. Setting aside part of the  
8 municipal budget to increase affordable housing  
9 opportunities is critical for our first time  
10 homebuyers. I will also be able to stabilize New  
11 York City and keep our multigenerational families  
12 together.

13 So, I have more to say but I'll submit the  
14 written testimony as well.

15 COMMITTEE COUNSEL: Brendan Cheney.

16 BRENDAN CHENEY: Good afternoon. My name is  
17 Brendan Cheney. I am the Director of Policy and  
18 Operations at the New York Housing Conference. We're  
19 a nonprofit affordable housing policy and advocacy  
20 organization. Thank you for the opportunity to  
21 testify today.

22 So, I've submitted my full testimony but I'll  
23 summarize here. First, we want to thank Speaker  
24 Adams for her leadership on affordable and fair  
25 housing, including her work on the Fair Housing



1  
2 framework, adding resources for affordable housing,  
3 including an additional \$2 billion in this years  
4 budget. Advocacy around the expansion of City FHEPS  
5 and a focus on affordable homeownership.

6 We applaud the focus on affordable homeownership.  
7 We have a history of housing discrimination in the  
8 city and nationally, which has led to a racial  
9 homeownership gap where White New Yorkers  
10 homeownership rate is 41 percent. For Black New  
11 Yorkers it's 27 percent and for Latino New Yorkers  
12 it's 17 percent.

13 Supporting homeownership opportunities can help  
14 repair our history of housing discrimination but this  
15 will require a comprehensive strategy that includes  
16 funding for new construction of affordable  
17 homeownership while maintaining a commitment to  
18 preservation of existing homeownership, increase  
19 downpayment assistance and conversions of existing  
20 rental to homeownership. Both of these last two are  
21 efficient ways to get new homeownership while also  
22 maximizing the impact of tax incentives like the 485x  
23 program.

24 While we support the goal of expanding  
25 homeownership, we have concerns about HPD's ability

1  
2 to consistently meet the targets set as a percentage  
3 of units financed and about challenges related to the  
4 cyclical nature of the housing market. Housing  
5 supply available for downpayment assistance, interest  
6 rates, lending practices and projects in the pipeline  
7 for new construction and conversions will vary  
8 greatly year to year. While the bill calls for an  
9 average over five years, housing cycles still make it  
10 a challenge to meet percentage goals.

11 We're also concerned about HPD's significant  
12 pipeline of projects already waiting years for  
13 financing, including both rental and homeownership  
14 projects. So given the extent of the housing crisis,  
15 we recommend in lieu of percentage targets, that the  
16 Council require HPD to set annual unit production  
17 targets for both rental and homeownership for the  
18 remainder of the ten year housing plan.

19 Thank you for the opportunity to testify. We're  
20 happy to answer any questions.

21 ANTHONY COKER: Good morning. My name is Anthony  
22 Coker and I'm a Homeownership Program Manager at  
23 Neighbors Helping Neighbors. How to approve  
24 counseling agency in Brooklyn that promotes racial  
25 justice on empowering low and moderate income New

1  
2 Yorkers to fight for, secure and maintain quality  
3 housing and build financial assets. I'm testifying  
4 on behalf NHN and our parent organization 5<sup>th</sup> Avenue  
5 Committee.

6       Affordable homeownership is a critical component  
7 of our strategy to ensure long term housing stability  
8 and economic equity within New York City. As you  
9 know, recent data indicates that only three percent  
10 of new units funded by the Department of Housing  
11 Preservation and Development have been dedicated to  
12 homeownership since 2014. As a result, the critical  
13 tools to address the racial wealth gap and to  
14 stabilize communities across New York City is left  
15 untapped. House flippers and corporate investors are  
16 increasingly taking what little supply remains of  
17 affordable purchase options for low and moderate  
18 income New Yorkers and of course mortgage interest  
19 rates have also negatively impacted low and moderate  
20 income residents ability to purchase starter homes  
21 and climb the economic ladder.

22       As a housing counselor for the past eight years,  
23 I have seen that this dream is still shared by many  
24 Black and Brown New Yorkers and there is a pressing  
25 need to enhance support for these first time

1  
2 homebuyers to help them overcome financial barriers  
3 to purchasing their own homes.

4 In our survey of NYCHA residents, 98 percent  
5 identified homeownership as a goal. We don't live in  
6 a city of tenants and owners. We share similar  
7 goals. The 5<sup>th</sup> Avenue Committee supports the  
8 proposed legislation to increase HPD's support for  
9 homeownership to six percent in the coming years but  
10 that must not come at the expense of funding the  
11 pipeline of existing affordable housing projects,  
12 many of which have been waiting four years for  
13 necessary subsidies to be built or renovated. 5<sup>th</sup>  
14 Avenue Committee, through its housing development  
15 projects, is aligned with the city's goal of  
16 increasing access to affordable housing for low and  
17 moderate income residents. Through our projects, we  
18 have created 1,400 units of affordable homes and have  
19 an additional 2,000 homes for LMI New Yorkers in our  
20 pipeline. That 2,000 unit pipeline includes over 60  
21 units for first time homebuyers but more support is  
22 needed.

23 To further underscore the needs to fully fund the  
24 existing pipeline and the requisite HPD staff needed  
25 to advance it was recently told by HPD they couldn't

1  
2 assign a project manager for a substantial rehab  
3 project for at least 18 months.

4 An increase in affordable homeownership will help  
5 working families build long term wealth, create  
6 stable communities and build economic resilience.  
7 Homeownership creates the stability that children  
8 need for academic success and it greatly reduces  
9 household stress where children again can be  
10 impacted. Owning a home can create a financial  
11 buffer against economic downturns in a city like ours  
12 with high living costs and economic fluctuations.  
13 Any increase in funding coupled with this, the work  
14 of nonprofit community will help communities of color  
15 remain in place which should be a key objective for  
16 our city. We urge City Council to pass this  
17 legislation so that more families can realize the  
18 benefit of homeownership while ensuring the existing  
19 pipeline of affordable projects that HPD has fully  
20 funded in the timelier fashion. I'm sorry I went  
21 over.

22 COMMITTEE COUNSEL: Thank you. We will next call  
23 Margy Brown, and I have a card for Jamie Smarr.  
24 Jamie Smarr and for anyone else from the public in  
25 this room who wishes to testify, please see a

1  
2 Sergeant at Arms and complete and submit a speaker  
3 card.

4 MARGY BROWN: Good afternoon. Thank you for the  
5 opportunity to testify. My name is Margy Brown. I'm  
6 Executive Director of UHAB. Over the last 50 years,  
7 UHAB has empowered low and moderate income residents  
8 to take control of their housing and become  
9 homeowners in the buildings where they already live.

10 As first hand witnesses to the transformative  
11 power of homeownership to revitalize neighborhoods  
12 and stabilize lives, you have us thrilled to see the  
13 Council's interest in bolstering the city's  
14 homeownership. Specifically, we support a focus on  
15 preservation and the inclusion of low income New  
16 Yorkers in the homeownership plan. Preservation is  
17 the most cost effective way to create and sustain  
18 homeownership on a large scale and is also the most  
19 impactful approach, reaching deeper levels of  
20 affordability and ensuring that low income New  
21 Yorkers have access to the security empowerment and  
22 intergenerational wealth building that homeownership  
23 provides.

24 The city's aging and distressed housing stock is  
25 a crisis and an opportunity. By investing in

1  
2 homeownership through preservation, we create a  
3 pathway for tenants in distressed rental buildings to  
4 reclaim their housing as permanently affordable  
5 quality homes. Households living in these conditions  
6 are overwhelmingly low income people of color,  
7 systematically excluded from traditional  
8 homeownership opportunities. Transforming  
9 substandard housing into quality housing and housing  
10 security into homeownership for the communities most  
11 in need accomplishes so many of our shared housing  
12 goals and achieves housing justice like few other  
13 homeownership models do.

14 Over the last two years, UHAB has received  
15 outreach from over 100 tenant associations across the  
16 city who are interested in purchasing their rental  
17 buildings and transforming them into cooperative  
18 homeownership. Increasingly, we are also hearing  
19 from building owners looking to offload failing or  
20 unprofitable rental housing through tenant purchases.

21 The collapse of the Signature Bank portfolio -

22 Thank you for the opportunity to testify. I do  
23 just quickly want to say that investment in the  
24 city's existing affordable homeownership, specifical  
25 low income cooperatives is another key component of

1  
2 ensuring that we're expanding homeownership  
3 opportunities and not losing existing homeownership  
4 as fast as we're creating new.

5 Thank you so much. I encourage you to read the  
6 rest. Thank you.

7 COMMITTEE COUNSEL: Thank you and with that we  
8 will now turn to remote testimony. We will hear from  
9 in this order, Matthew Dunbar, who will be followed  
10 by Jamie Smarr, then Moses Gates, Kevin Wolfe, and  
11 Yoselin Genao Estrella. Sorry if I mispronounced  
12 that and once again, anyone in this room who wishes  
13 to testify in person, in the public, please see a  
14 Sergeant and submit a speaker card. Matthew Dunbar.

15 SERGEANT AT ARMS: You may begin. You may begin.

16 COMMITTEE COUNSEL: Matthew Dunbar, if you can  
17 hear me, you need to accept the unmute request in  
18 order to testify. Alright we're having a technical  
19 issue where we cannot hear you Mr. Dunbar in this  
20 room. I understand that we are getting audio on the  
21 Zoom. Mr. Dunbar, we're going to come back to you  
22 and we're going to try Jamie Smarr next. Apologies  
23 Mr. Dunbar, we're having a technical issue. If Jamie  
24 Smarr is available and we need for you to accept any



1  
2 unmute request if you have one in order that we can  
3 hear you.

4 Can you say something, so that we can see if we  
5 can hear you in here? Okay, we also cannot hear  
6 Jamie Smarr, if that's Jamie Smarr. Please stand by  
7 [02:29:10]- [02:30:33].

8 SERGEANT AT ARMS: This is Chief Sergeant at Arms  
9 Rafael Perez on the Zoom. Could the host please  
10 check if they can hear us? Okay, so clearly I see  
11 you muted. You can hear us but we can't hear you.  
12 Thank you.

13 [02:30:51]- [02:35:21]

14 COMMITTEE COUNSEL: For the remote online  
15 panelists who have signed up to testify, if you can  
16 hear me, just letting you know that we are attempting  
17 to deal with a technical issue in the room. Please  
18 stand by and we appreciate your patience.

19 [02:35:36]- [02:43:23]

20 SERGEANT AT ARMS: Can the host please confirm  
21 that you're hearing us? [02:43:26]- [02:43:38].  
22 Thank you. [02:43:40]- [02:48:16]

23 SERGEANT AT ARMS: 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

24 SERGEANT AT ARMS: Thank you.  
25

1  
2 COMMITTEE COUNSEL: Next we'll hear from  
3 [INAUDIBLE 02:48:32]. Mr. Dunbar?

4 MATTHEW DUNBAR: Hello? Can you hear me now?

5 COMMITTEE COUNSEL: Yes.

6 MATTHEW DUNBAR: Wonderful. Thank you so much.  
7 My name is Matthew Dunbar, I'm the Chief Strategy  
8 Officer of Habitat for Humanity in New York City in  
9 West Chester county and I would like to thank the  
10 Speaker, Chair Salamanca and the entire Committee for  
11 your passion and enthusiasm for political  
12 homeownership. A mission that our organization has  
13 been committed to for 40 years serving over 2,600  
14 families with our home building and preservation  
15 programs.

16 We want to express our support for this bill and  
17 the goal to meet a six percent goal of homeownership  
18 financing in the overarching goal. However, we do  
19 have a couple recommendations including lowering the  
20 floor of families served down to 50 percent AMI, so  
21 that organizations like ours who are committed to  
22 serving low income families will be able to serve and  
23 count those families within the target goal when  
24 economically feasible. As well as potentially adjust  
25 the internal targets to allow for more flexibility

1  
2 for HPD to reach the goal by utilizing a more diverse  
3 set of solutions to create these homeownership  
4 opportunities.

5 We believe that the six percent goal will create  
6 incentive for a comprehensive affordable  
7 homeownership strategy that would focus on converting  
8 rental units, LIHTC buildings and other assets in  
9 order to achieve these goals and create affordable  
10 homeownership in a more economically efficient way  
11 and scale the way that will increase the number of  
12 homeownership units across the city.

13 I'd be happy to submit in writing as I'm legally  
14 blind. I can't tell if my time is up. I will submit  
15 a full briefing in writing that will elaborate on  
16 various policies and strategies that the Council and  
17 the City can take in order to create that  
18 comprehensive affordable homeownership approach.

19 COMMITTEE COUNSEL: Thank you Matthew and next  
20 we'll hear from Jamie Smarr.

21 JAMIE SMARR: Hello, Jamie is testing audio.

22 COMMITTEE COUNSEL: Yes.

23 JAMIE SMARR: Speaker Adams, Chair Salamanca and  
24 members of the Committee. My name is Jamie Smarr. I  
25 serve as CEO of the New York City Housing

1  
2 Partnership. A public, private intermediary created  
3 by Matt Hotch in 1983 to help revitalize New York  
4 City neighborhoods with affordable homeownership.

5 Since our establishment, the housing partnership  
6 has created more than 35,000 homes in the five  
7 boroughs. The majority of these partnership homes  
8 resulted in the creation of a new generation of  
9 predominantly Black and Latino homeowners. We  
10 continue to support affordable homeownership in New  
11 York City as a fundamental path to wealth building.

12 Housing Partnership supports Intro. 958. At the  
13 same time, I would urge the Council to go beyond the  
14 scope of this local law making and take a more  
15 comprehensive approach to New York City homeownership  
16 construction. The focus cannot solely be on HPD's  
17 annual capital appropriation. We also need the  
18 following: We need tax incentives. The state  
19 legislature allowed the 421B statute to expire. 421B  
20 was the primary tax incentive for one, two and three  
21 family home construction in New York City in the  
22 1980's and 1990's. When the city was literally  
23 creating thousands of affordable homes for purchase  
24 year. 421B is no longer a legislative priority of  
25

1  
2 the city, so the legislature allowed the program to  
3 expire.

4 We need an uncomplicated meeting, easy to  
5 administer and to implement tax incentive that is  
6 targeted to making first time homeownership cheaper  
7 and that is exactly what the 421B program once  
8 achieved.

9 Second, affordable new home construction is  
10 expensive and requires cheap available land. Greater  
11 attention needs to be paid to making city and state  
12 owned lands available for homeownership production.  
13 City owned lands, and here I also include NYCHA and  
14 Department of Education -

15 SERGEANT AT ARMS: Time has expired.

16 JAMIE SMARR: The rest of my testimony, I've  
17 submitted to you for your consideration and thank you  
18 very much for your time.

19 COMMITTEE COUNSEL: Thank you Mr. Smarr. I  
20 apologize if you can not hear me. One sec. Can you  
21 hear me?

22 SERGEANT AT ARMS: You can go ahead.

23 SERGEANT AT ARMS: Mr. Gates, please go ahead and  
24 feel free to give your testimony. Thank you very  
25 much.

1  
2 MOSES GATES: Okay thank you. My name is Moses  
3 Gates, I'm Vice President of Housing and Neighborhood  
4 Planning at Regional Plan Association. We're a  
5 nonprofit, nongovernmental civic group dedicated to  
6 furthering affordable housing, the environment and  
7 energy policy and transportation in the tristate  
8 region.

9 I want to express my support for this  
10 Introduction and note a few points about  
11 homeownership and the need for affordable ownership  
12 in New York City. We hear a lot about our 1.4  
13 percent vacancy rate here in New York. The  
14 homeownership vacancy rate is also at its lowest  
15 point ever, .77 percent. Lowest since we've started  
16 the housing and vacancy survey. And so, the need has  
17 never been greater.

18 And I wanted to point out a few things about  
19 limited equity programs, which are a wonderful  
20 balance between making sure that homeownership stays  
21 affordable and still allowing households to build  
22 wealth. In 80 percent of AMI, after 30 years, an 80  
23 percent AMI household owning a two bedroom apartment  
24 under a pretty conservative underwriting scenario, we  
25 get about \$440,000 in equity in year one, year one

1  
2 dollars, while still maintaining that apartment is  
3 affordable to 80 percent AMI folks going through the  
4 future.

5 So, I encourage the Council to focus on the  
6 provision of limited equity opportunities. It's  
7 wonderful that downpayment assistance is such a focus  
8 of the HPD but in order for downpayment assistance to  
9 work, production and housing production needs to come  
10 along also. We can do that by passing City of Yes  
11 with its focus on smaller buildings, more likely to  
12 become a naturally occurring cooperative, affordable  
13 cooperatives and condominiums. We can do it by  
14 revamping the 485x tax incentive by making it based  
15 on sales price and not assessed value, which gives  
16 the developers more certainty that they'll obtain it.  
17 And we can do it by more of a focus -

18 SERGEANT AT ARMS: Time has expired.

19 MOSES GATES: In our process, such as by LIHTC  
20 conversions and other new programs. Affordable  
21 homeownership is one of the big successes. As our  
22 last panelist testified -

23 SERGEANT AT ARMS: Your time is up. Please feel  
24 free to submit the rest of your testimony to  
25 [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov).

1  
2 MOSES GATES: Okay, thank you very much.

3 SERGEANT AT ARMS: And next, we will hear from  
4 Kevin Wolfe.

5 KEVIN WOLFE: Good afternoon. Can everyone hear  
6 me?

7 SERGEANT AT ARMS: We can Mr. Wolfe, thank you.

8 KEVIN WOLFE: Great. Good afternoon. My name is  
9 Kevin Wolfe. I am the Deputy Director of For  
10 Advocacy and Public Affairs at the Center for New  
11 York City Neighborhoods. I first of all would like  
12 to thank Speaker Adams as well as Chair Rafael  
13 Salamanca for holding this hearing today and I would  
14 also like to just acknowledge the leadership Speaker  
15 Adams that you've had questions in homeownership,  
16 whether it be the estate planning initiative that you  
17 pushed forward, as well as supporting the work that  
18 we do with foreclosure prevention. And now this  
19 hearing today, new homeownership creation is  
20 extremely important.

21 I did want to just - we have a full testimony  
22 that we're going to be submitting but I wanted to  
23 highlight two things. First of all, you've heard  
24 today from HPD how hard it is to develop new  
25 affordable homeownership but that is precisely why we



1 need the targets that you've outlined in Intro. 958.  
2 We're hoping that these targets can spur the capacity  
3 for new development and new tools in New York City's  
4 homeownership market and our ecosystem. But given  
5 that it is hard, without these targets, we'll just  
6 continue to do what we've been doing up until this  
7 date.  
8

9 The second and of course Moses, he laid out in  
10 detail the numbers and he's really an expert on that,  
11 so I'm not going to go through that but I did want to  
12 just say, for the second item we are working on at  
13 the center Black homeownership and the White and  
14 English wealth gap and homeownership disparities in  
15 New York City. And so, this new legislation is a  
16 part of a strategy to increase pathways for renters  
17 to become homeowners by increase in capital spending  
18 for homeownership construction. By promoting new  
19 policies to create homeownership units at the same  
20 level and then finally, as HPD has mentioned, by  
21 making sure that existing homeowners can stay in  
22 their homes through the Home Fix program, through  
23 your support at the City Council for foreclosure  
24 prevention work and providing housing counseling and  
25 legal services to avoid scams.

1  
2 With out further ado, I will try to back over and  
3 submit the balance of my testimony to the Committee.

4 SERGEANT AT ARMS: Thank you Mr. Wolfe. Once  
5 again, you can submit your testimony to  
6 [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). And next we will  
7 hear from Ms. Astra(SP?). I apologize if I  
8 mispronounced your last name.

9 SERGEANT AT ARMS: Time starts.

10 JOSELIN GENAO ESTRELLA: Thank you. Thank you.  
11 Creating affordable homeownership for low to moderate  
12 income renters and developing homeownership  
13 opportunities are not mutually exclusive; they can  
14 work hand and hand. Thank you to the Council and  
15 thank you for Speaker Adams for your leadership and  
16 Chair Salamanca and the entire Council for thinking  
17 this through and for providing the strategies that  
18 New York City can offer comprehensive approach to  
19 housing stability.

20 My name Yoselin Genao Estrella and I'm the  
21 Executive Director of the tiny but mighty NHS of  
22 Queens. Every year we serve over 8,000 of our  
23 neighbors with the tools that they need to provide  
24 for affordable homeownership opportunities, rental  
25 counseling and for them to stay in their homes. We

1  
2 are truly supportive of this legislation and this is  
3 going to go ahead and is going to create, it's going  
4 build a generation of wealth for our communities.

5       The lack of affordable homeownership options  
6 really, truly hampers our neighbors. Our NHS of  
7 Queens Mortgage Ready clients wait sometimes even two  
8 years for suitable properties and often they are  
9 frequent higher than anticipated. This shortage  
10 forces our neighbors to move out of New York City and  
11 even out of the state. And the creation of  
12 affordable homeownership is crucial in creating our  
13 and keeping our communities and allowing our  
14 neighbors to stay and thrive in New York City.

15       Over the last two years I will have to share that  
16 our first time homebuyers, just in our small but tiny  
17 organization, have built collectively \$2.5 million in  
18 equity.

19       SERGEANT AT ARMS: Time has expired.

20       YOSELIN GENAO ESTRELLA: Thank you.

21       COMMITTEE COUNSEL: Test.

22       CHAIRPERSON SALAMANCA: Alright, so before we  
23 adjourn I want to announce that all LU's items on  
24 today's agenda were adopted. Thank you Speaker  
25 Adams, my colleagues, Council and staff members and

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COMMITTEE ON LAND USE

members of the public for participating in today's hearing. This meeting is hereby adjourned. [GAVEL]

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 October 9, 2024