

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS,
JOINTLY WITH THE COMMITTEE ON CONSUMER AFFAIRS

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B E F O R E:

JUMAANE D. WILLIAMS
Chairperson

RAFAEL L. ESPINAL, JR.
Co-Chairperson

COUNCIL MEMBERS:

Rosie Mendez
Ydanis A. Rodriguez
Karen Koslowitz
Robert E. Cornegy, Jr.
Rafael L. Espinal, Jr.
Mark Levine
Antonio Reynoso
Helen K. Rosenthal
Ritchie J. Torres
Eric A. Ulrich
Rory I. Lancman
Daniel R. Garodnick
Vincent J. Gentile

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

Daniel Hernandez
Deputy Commissioner
Neighborhood Strategies
NYC Housing Preservation & Development

Baab Halm
Assistant Commissioner for
Government Relations
NYC Housing Preservation & Development

Amit Bagga
Deputy Commissioner
External Affairs
NYC Department of Consumer Affairs

Tamala Boyd
Associate General Counsel
NYC Department of Consumer Affairs

Mary Cooley
Director of City Legislative Affairs
NYC Department of Consumer Affairs

Ariana Marmora
Staff Attorney
Housing Unit
MFY Legal Services

Harvey Epstein
Project Director & Associate Director
Urban Justice Center

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

Cynthia Weaver
Representing
Legal Services NYC & Local 2320 UAW

Arnold Acosta
Resident

Cathy Dang
Director
CAAAY Organizing Asian Communities

Donna Mossman
Crown Heights Resident
Crown Heights Tenant Union

Silvana Yakich [sp?]
Member
Stop Croman Coalition and GOLES

Donna Chiu
Director of Housing & Community Services
Asian Americans for Equality

Walter Azevedo [sp?]
Resident
East Village

Patricia Ramirez
Resident

Mellita Godrey [sp?]
Member
Stop Croman Coalition

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

Julie Patton
Resident

Brandon Kielbasa
Director of Organizing
Cooper Square Committee

Shawn Dahl
Rent-stabilized tenant
East Village

Rolando Guzman
St. Nicks Alliance

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2 CHAIRPERSON WILLIAMS: Good morning
3 everyone and thank you for coming. My name is
4 Council Member Jumaane Williams; I'm Chair of the
5 Committee on Housing and Buildings. I'm joined today
6 by my Co-Chair for today's hearing, Council Member
7 Espinal of the Consumer Affairs Committee. We've
8 been joined by Council Member Gentile.

9 Today we are here to discuss legislation
10 that has the potential to address the poor business
11 practices of unscrupulous tenant relocation
12 specialists, or as they are commonly known, "tenant
13 relocators."

14 Tenant relocators are individuals hired
15 by residential dwelling owners to negotiate with
16 tenants, often in rent-regulated dwellings to vacate
17 their apartments in exchange for a cash buyout. As
18 the potential for rental income profit skyrockets in
19 New York City, tenants have increasingly complained
20 that they are being pressured and harassed by tenant
21 relocators, including being threatened with eviction
22 if they do not accept the buyout; consequently tenant
23 relocators have come under increased scrutiny from
24 prosecutors.

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2 The three bills we will discuss today
3 hope to mitigate the harms caused by these tenant
4 relocators.

5 First, Int. 700, which is from Council
6 Member Garodnick, would amend the Housing Maintenance
7 Code definition of "harassment" to make it unlawful
8 for a dwelling owner or an owner's agent to make a
9 tenant buyout offer without first: notifying the
10 tenant that he or she has the right to refuse the
11 buyout offer, and without disclosing the person
12 making the buyout offer has been hired by the
13 tenant's landlord.

14 Next we will hear testimony on Int. 757,
15 sponsored by The Speaker of the City Council, Melissa
16 Mark-Viverito. This proposed piece of legislation
17 will amend the Administrative Code to include
18 repeated buyout offers made after a tenant has asked
19 for them to stop, as part of the definition of
20 "harassment" under the Housing Maintenance Code.

21 At this time I would like my Co-Chair,
22 Council Member Espinal to say a few words about Int.
23 682, which will also be discussed at today's hearing.

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25

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2 CO-CHAIRPERSON ESPINAL: Thank you,
3 Councilman Williams for setting the state for this
4 important discussion.

5 As I'm seeing in my district, in
6 Bushwick, as prices increase, folks find themselves
7 no longer able to afford to live in neighborhoods and
8 communities they've called home for decades.
9 Further, we've been hearing stories of long-time
10 residents of rent-stabilized and rent-controlled
11 housing being pushed out of their leases so that
12 landlords can convert to market rate rentals. We're
13 hearing stories of individuals hired by landlords to
14 encourage, persuade and sometimes harass long-time
15 tenants into leaving their homes; that's not what
16 this city is about.

17 The bills we're hearing today will make
18 it illegal to harass tenants with buyout offers to
19 pressure them into leaving their homes. Int. 682,
20 sponsored by Council Members Garodnick and Williams
21 would add a new subchapter to the Consumer Protection
22 Section of the Administrative Code to created a
23 licensing scheme for tenant relocation specialists.

24 Under this legislation, the relocators
25 will be required to secure a license from the

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2 Department of Consumer Affairs by first passing an
3 exam, furnishing an surety bond and paying a
4 licensing fee. The bill requires that a license
5 tenant relocater will be required to initiate first
6 contact with tenants only in writing. This bill will
7 also prohibit licensed tenant relocators from
8 harassing tenants or providing false information to
9 tenants.

10 Finally, the bill will require DCA to
11 produce an annual report to the Council on the
12 implementation of the law, the number of licenses
13 issued and the number of penalties assessed.

14 As elected officials, it is our
15 responsibility to listen to our constituents and
16 devise solutions to the problem we all face. I look
17 forward to hearing testimony from our witnesses and
18 to finding ways to ensure that as this city continues
19 to enjoy commercial growth, we preserve our
20 commitment to affordable housing and do what we can
21 to ensure that no one is pushed out of their home.

22 Thank you again, Council Member Williams;
23 I'm turning it back to you.

24 CHAIRPERSON WILLIAMS: Thank you Council
25 Member Espinal. And for clarity, Int. 700 is co-

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2 primed by myself and Council Member Garodnick and
3 Int. 682 is co-primed by Council Member Garodnick and
4 myself.

5 Before we get started I'd like to thank
6 my staff for the work they did to assemble this
7 hearing, including Nick Smith, my Deputy Chief of
8 Staff, Jen Wilcox, a counsel to the Committee,
9 Guillermo Patino and Jose Conde, Policy Analysts to
10 the Committee and Sarah Gastelum, the Committee's
11 Finance Analyst.

12 And I wanna give a big shout-out to
13 Shijuade Kadree -- Did I say it right? [background
14 comment] Shijuade... [background comment] Shijuade
15 Kadree; this is her last day at this committee and I
16 wanna say thank you very -- I'm gonna give you a big
17 round of applause. [applause] It's been a little
18 over seven months; she's had a great impact on the
19 Committee; thank you very much; I know you're moving
20 on to a greater body of things; is it public yet?
21 [background comment] So you'll be at which
22 committee? [background comment] You will be the
23 lead counsel on Government Operations.
24 Congratulations; our loss is their gain, but thank
25 you so much. [background comment]

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2 So right now we're gonna ask members --
3 I'm gonna call up representatives from the
4 Administration as our first panel -- Daniel Hernandez
5 from HPD... [background comment] Mary Cooley from DCA,
6 [background comment] Tamala Boyd from DCA,
7 [background comment] Amit Bagga from DCA; [background
8 comments] Baaba Halm from HPD.

9 I would like to remind everyone that
10 would like to testify today to please fill out a card
11 with the sergeant at arms.

12 [pause]

13 We're experiencing technical
14 difficulties, [laughter] so give us a few minutes,
15 please.

16 [pause]

17 We've been joined by Council Member
18 Koslowitz.

19 [pause]

20 And we're back. [background comment]
21 Yeah, we may... we may need to switch in a few moments,
22 so we're gonna start the testimony now and ask for
23 patience if we do have to make a switch in a little
24 while.

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2 Everybody who is going to be testifying,
3 please raise your right hand. Everybody who's gonna
4 be testifying right now. [laughter] Those who are
5 -- [interpose, background comment] I appreciate it
6 [sic]. [background comments]

7 Do you affirm to tell the truth, the
8 whole truth and nothing but the truth in your
9 testimony before this committee and to respond
10 honestly to council member questions? [background
11 comments] Thank you; you can begin at your leisure.

12 DANIEL HERNANDEZ: Good morning Chair
13 Williams, Chair Espinal and members of the Committees
14 on Housing and Buildings and Consumer Affairs.

15 My name is Daniel Hernandez and I am the
16 Deputy Commissioner for Neighborhood Strategies with
17 the New York City Department of Housing Preservation
18 & Development.

19 So I'm here this morning to discuss the
20 bills on today's agenda, Int. 700 and Int. 757, which
21 both seek to establish parameters for tenant buyout
22 offers and Int. 682, related to the licensing and
23 regulation of tenant relocation specialists.

24 As you're aware, this city is currently
25 experiencing an affordable housing crisis with a

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2 citywide vacancy rate of 3.44 percent, very low. In
3 2014, 46 percent of renter-occupied households were
4 rent-burdened or paying more than 30 percent of
5 monthly income toward housing costs. The need to
6 create new housing options and preserve existing
7 affordable housing is acute.

8 Under the Mayor's housing plan, HPD will
9 preserve and construct approximately 200,000 units of
10 affordable housing over a ten-year period. HPD is
11 one of the central agencies charged with the
12 responsibility of marshaling resources to meet the
13 housing needs of the city's residents and to maintain
14 the vibrancy of existing neighborhoods by using
15 various tools to ensure the habitability and
16 affordability of the housing stock.

17 HPD also recognized it is vitally
18 important to help tenants maintain access to
19 affordable housing. To that end, the Office of
20 Community Partnerships was created to bring together
21 the agency's expertise in helping tenants with the
22 local knowledge of community groups, tenant
23 organizers and building owners to effectively address
24 local needs and inform HPD's preservation, planning
25 and new construction strategies.

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2 We provide information to tenants in
3 neighborhoods throughout the city through our "Know
4 Your Rights Tenant Nights," which are forums where we
5 partner with local elected officials, community
6 groups and legal service providers to present
7 information on common landlord-tenant issues.

8 Because knowledge of legal rights is key
9 to a tenant being able to stay in their apartment,
10 earlier in the year the Mayor announced approximately
11 \$35 million in annual funding that will be allocated
12 to the Human Resources Administration to help tenants
13 access legal services to defend their rights in
14 Housing Court, those measures should debtor
15 harassment lead to a decline in evictions and a
16 reduction in the loss of affordable housing [sic].

17 The Council, working in partnership with
18 HPD, has also done tremendous work to aid tenants
19 facing challenges. Local Law 45 of 2014 requires
20 owners to post in all multiple dwellings a notice
21 which advises the tenant to contact 311 or visit
22 HPD's website to attain information on housing
23 issues. This document, which we have called the ABCs
24 of housing, provides extensive information to tenants
25 and property owners about rights and responsibilities

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2 and is available by calling 311 and visiting both
3 311's website and HPD's website.

4 Local Law 47 of 2014 increased the
5 penalties for findings of harassment in Housing Court
6 and required HPD to make available on its website
7 information about actual findings of harassment.

8 HPD believes that these measure will
9 encourage tenant awareness about their rights and
10 resources as well as debtor and penalize illegal
11 harassment activity by landlords.

12 Tenant harassment can come in many forms,
13 as you know, but includes tactics to get tenants to
14 give up their regulated apartments so that landlords
15 can then increase the rent for the apartment.
16 According to reports to HPD's Enforcement and
17 Litigation Units, landlords attempt to force out
18 tenants by not only making life inconvenient for
19 them, but also by making living conditions
20 unbearable; from cuts in necessary building services,
21 locks changed without notice, unrequested prolonged
22 rehabilitation projects to baseless evictions actions
23 in Housing Court; tenants experience a range of
24 pressure tactics by unscrupulous landlords and their
25 agents.

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2 Currently, tenants are able to bring
3 harassment claims in connection with the following
4 activities: 1. the use of force or expressed or
5 implied threats by the landlord; 2. repeated
6 interruptions of essential building services; 3.
7 commencing repeated baseless or frivolous lawsuits in
8 Housing Court; 4. unlawfully removing a tenant's
9 possessions; 5. removing the doors and/or changing
10 locks without notice or other activities which could
11 be deemed to unlawfully disturb a tenant's right to
12 quiet enjoyment of the property.

13 When tenants bring harassment actions,
14 HPD is named as a necessary party to these claims,
15 but the agency's involvement differs, depending on
16 the allegations in the claim. Attorneys from Housing
17 Litigation Division or the court attorneys conference
18 most harassment cases in order to determine if the
19 cases can be resolved without a trial. In actions
20 alleging landlord harassment without an additional
21 claim of poor housing conditions, if the case is not
22 resolved or consent and there is a trial, HPD's roles
23 is generally to participate in eliciting facts from
24 witnesses in order to aid the court in making its
25 determination.

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2 The court must hold full evidentiary
3 hearings when the parties cannot resolve the matters.
4 On occasion in such cases, HPD has knowledge of a
5 pattern of conduct in the building and the Housing
6 Litigation Division actively supports the tenant's
7 request for a finding of harassment. In actions
8 alleging both poor conditions and harassment, HPD is
9 always actively involved in seeking orders to correct
10 the violations and a finding of harassment where
11 appropriate.

12 We are aware that some landlords also
13 take the approach that offering money or other
14 considerations can help vacate a unit faster than
15 resorting to other tactics that I have described and
16 these offers, termed buyouts, can be repeated,
17 persistent and oftentimes aggressive. While HPD does
18 not have quantifiable data on the extent of this type
19 of harassment by many accounts, tenants across the
20 city have reported encountering harassment to accept
21 an offer to vacate their apartments. These offers
22 can come directly from the landlord, an employee of
23 the landlord or a person hired by the landlord to
24 specifically engage in this activity. The latter
25 group may be even be real estate professionals.

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2 Reportedly, these monetary buyout offers can total up
3 to hundreds of thousands of dollars, depending on the
4 building and neighborhood. Not all buyout offers are
5 solely for cash, sometimes buyouts take the form of a
6 promise of a new apartment or other assistance that
7 is enticing to the tenant. While not all buyout
8 situations rise to the level of harassment, many
9 tenants are in precarious positions because they are
10 unable to stop the continued aggressive offers and
11 related antagonistic behaviors over time.

12 HPD's code enforcement activities focus
13 on a building's physical conditions; we enforce the
14 Multiple Dwelling Law and the Housing Maintenance
15 Code and use violation and legal actions to compel
16 owners to address a building's physical needs.
17 Tenant awareness and empowerment play a large role in
18 helping someone to stay in their home. We therefore
19 support Int. 700 and Int. 757 for those purposes and
20 are interested in working with the Council to address
21 some technical issues and to improve the bills.

22 Int. 700 amends the tenant harassment
23 definition within the Housing Maintenance Code to
24 prohibit making or causing a buyout offer unless the
25 tenant is informed that they have a right to decline

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2 the offer and that the person making the offer is, in
3 some instances, an agent of the landlord. As
4 currently drafted, Int. 700 provides no definition of
5 tenant buyout and it is not clear whether the buyout
6 may take the form of non-cash consideration.

7 Int. 757 addresses the same conduct and
8 provides tenants with the right to suspend a buyout
9 offer once a tenant has indicated that they are not
10 interested in entertaining further discussion.

11 Buyouts are generally used in conjunction with other
12 harassing activities, whether big or small.

13 Eventually the other harassment wears the tenant down
14 and a buyout becomes a viable option for escaping a
15 stressful living situation. By adding buyouts to the
16 list of acts that could constitute harassment, both
17 bills would allow a tenant to tell a fuller story to
18 a Housing Court judge about what they are
19 experiencing.

20 In Int. 682, we are uncertain about the
21 prevalence of tenant relocation specialists versus
22 landlords and their employees harassing tenants with
23 buyouts. We agree that this issue should be
24 explored, as HPD and the Administration do not
25 support tenant harassment of any kind. The

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2 Department of Community Affairs will discuss their
3 viewpoints on licensing these actors; HPD, as you
4 know, does not currently license any activities and
5 such a requirement would be contrary to our primary
6 role to provide affordable housing and ensure the
7 maintenance of housing standards.

8 As always, we welcome the opportunity to
9 work with you and local groups to protect tenants
10 against illegal behavior in attempt to force them out
11 of their homes as the housing landscape grows and
12 changes in New York City. Thank you for this
13 opportunity to testify today; I'd be happy to answer
14 any questions from the Committee.

15 CHAIRPERSON WILLIAMS: Is anyone else
16 providing testimony?

17 [pause]

18 AMIT BAGGA: Good morning Chairman
19 Espinal, Chairman Williams and members of the
20 Consumer Affairs and Housing and Buildings
21 Committees; it's always a pleasure to testify before
22 you here at the Council.

23 I am Amit Bagga, Deputy Commissioner of
24 External Affairs at the New York City Department of
25 Consumer Affairs and I am joined by my colleagues,

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2 Tamala Boyd, Associate General Counsel and Mary
3 Cooley, Director of City Legislative Affairs.

4 We are here today representing
5 Commissioner Julie Menin, who regrets that she could
6 not be here, but sends her best to all of you.
7 Commissioner Menin and DCA are committed to working
8 with the Council to address issues of importance to
9 all New Yorkers. Thank you for the opportunity today
10 to testify about Int. 682, a bill related to
11 licensing tenant relocation specialists.

12 DCA's overall mission is to empower
13 consumers and businesses alike to ensure a fair and
14 vibrant marketplace. The Agency licenses
15 approximately 80,000 businesses across 55 different
16 industries, mediates complaints between consumers and
17 businesses, conducts patrol inspections and legal
18 investigations, educates businesses about laws and
19 rules and also enforces New York City's Earned Sick
20 Time Act, commonly known as the Paid Sick Leave Law.
21 In addition to its licensing, consumer protection and
22 labor-related work, DCA also operates the Office of
23 Financial Empowerment.

24 According to an April 2014 study by the
25 NYU Furman Center, approximately two-thirds of New

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2 York City's households rent their homes and
3 approximately one million of these households are
4 "rent burdened," meaning that they pay half or more
5 of their monthly income in rent. Between 2005 and
6 2012, the median rent across the five boroughs rose
7 11 percent, while median household income rose by
8 only 2 percent, indicating that renters faced a
9 growing gap between their incomes and their ability
10 to pay rent.

11 Lower-income New Yorkers, including those
12 that the Furman Center study defines as very low-
13 income or extremely low-income, are the most heavily
14 affected, with 81 to 88 percent of these households
15 being rent burdened. For the period of time covered
16 by the study, rents rose in four out of the five
17 boroughs, with Manhattan seeing the largest increase
18 at 19 percent. Recognizing the acute shortage of
19 affordable housing, Mayor de Blasio has made the
20 preservation or creation of hundreds of thousands of
21 units of affordable housing a top priority. Ensuring
22 that tenants can stay in the homes they are able to
23 afford is a key component of the Mayor's vision. As
24 such, DCA commends the Council for taking steps to

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2 address the important issue of forced tenant
3 relocation.

4 DCA has broad jurisdiction to enforce the
5 city's Consumer Protection Law and Licensing Law and
6 does so by conducting patrol enforcement, as well as
7 by undertaking legal investigations of businesses and
8 industries. We license many different types of
9 businesses in New York City, including secondhand
10 auto dealers, sidewalk cafes, tobacco retailers,
11 newsstands and many others. Our most common
12 mechanism of enforcement is the use of patrol
13 inspections, which involve DCA inspectors physically
14 visiting businesses to inspect for compliance with
15 laws and rules. Because we know locations of
16 businesses, we are able to plan these visits in
17 advance; being able to physically visit and observe a
18 business is the only method for checking for
19 compliance with many laws and rules.

20 In general, our ability to enforce is
21 greatly reduced when a business does not have a
22 permanent physical location. Our understanding of
23 tenant relocation specialists is that they frequently
24 do not operate in commercial office spaces or clearly
25 identified offices. Additionally, the nature of

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2 their work puts them in the field on a daily basis.
3 For these reasons, enforcement over the work of these
4 specialists would prove quite challenging; our
5 inspectors would not be able to inspect tenant
6 relocation specialists on premises to ensure that
7 these specialists are not violating the terms of the
8 licenses and it would particularly challenging for
9 our inspectors to identify unlicensed activity or
10 observe the conduct that would be prohibited or
11 required by this bill. DCA does not currently have
12 the sufficient expertise about the nuances of
13 relationships between landlords, tenants and these
14 specialists or the capacity to take on licensing and
15 enforcement of this bill.

16 Given our understanding of some of the
17 aggressive tactics against tenants that these tenant
18 relocation specialists engage in, we do support
19 exploring whether regulating these specialists and
20 the industry in general would support the public
21 good. With this in mind, we would like to take this
22 opportunity to offer to the Council some suggestions
23 we think would significantly strengthen a regulatory
24 approach, irrespective of which city agency might be
25 ultimately assigned enforcement authority.

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2 First, considering the nature of the
3 industry, a regulatory authority would have to likely
4 adopt a complaint-based approach to pursue
5 enforcement. Such an approach would require robust
6 recordkeeping requirements so that allegations could
7 be appropriately investigated. Examples of such
8 records could be agreements between landlords and the
9 tenant relocation specialists or agencies, records of
10 each interaction between tenant relocation
11 specialists and tenants, records of the exchange of
12 any money, among others. These records would clearly
13 indicate names, addresses, contact information,
14 dates, locations and nature of interactions, amounts
15 of funds exchanged, and would in many cases require
16 attestation from more than one party; the landlord
17 and the specialist or the specialist and a tenant,
18 for example.

19 In addition to the specialists and
20 agencies, effective enforcement would require
21 landlords to keep such records as well. Absent these
22 records, any type of enforcement would likely be very
23 challenging. Holding landlords accountable to
24 maintain records, to have written contracts and to
25 maintain documentation of financial transactions with

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2 the specialists would strengthen the ability of a
3 regulatory agency to prosecute specialists who engage
4 in illegal or unlicensed conduct, particularly since
5 tenants may not necessarily complain about the
6 specialist but rather about the landlord. Absent
7 records kept by both specialists and landlords,
8 enforcement would prove very challenging.

9 Additionally, the penalty structure
10 outlined in this bill also merits further
11 examination, as does the issue of relief to aggrieved
12 tenants. We would like to further explore the extent
13 to which this bill, as currently drafted, would in
14 fact deter illegal conduct and help make aggrieved
15 tenants whole. Under the current version of the
16 bill, the fine for unlicensed activity is only \$300;
17 based on our experience enforcing against unlicensed
18 activity, this amount does not seem adequate to
19 compel the specialist to come into compliance with
20 the law.

21 Additionally, endowing tenants with the
22 private right of action should be discussed to ensure
23 that tenants are able to secure appropriate
24 restitution and/or damages. DCA also suggests
25 examining criminal histories, as relevant, of these

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2 specialists to ensure that tenants are not being
3 forced to interact with individuals who receive
4 remuneration for encouraging tenants to leave their
5 homes.

6 Finally, the current bill does not
7 provide for criminal sanctions for tenant relocation
8 specialists, which we think would be appropriate to
9 include.

10 DCA commends the goal of regulating these
11 tenant relocation specialists and other entities that
12 elude the law or undermine our housing laws. In
13 order to assess whether or not this legislation will
14 effectively achieve these goals, we would have to
15 explore several issues with the sponsors of the bill,
16 advocates and other partners in government.

17 Additionally, it must be noted that were
18 DCA to take on licensing of these specialists, the
19 Agency would require additional resources; we would
20 require additional intake specialists and staff and
21 mediators to address consumer complaints and mediate
22 where possible, as well as additional attorneys to
23 investigate and prosecute more complex or serious
24 allegations. Ensuring that tenants know to complain
25 to DCA would also require a large public education

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2 campaign, which would require resources not only for
3 advertising and materials, but also for additional
4 outreach capacity, as the universe of tenants, as we
5 know, in New York City is very large.

6 Thank you for the opportunity to discuss
7 this important issue with you today; my colleagues
8 and I will be happy to answer any questions that you
9 might have.

10 CHAIRPERSON WILLIAMS: Thank you very
11 much for your testimony. We've also been joined by
12 Council Members Rosenthal, Rodriguez, Garodnick and
13 Levine. And we are gonna now continue a game called
14 Fun in the City Council; we are gonna switch rooms,
15 so everybody be patient. [background comment] So
16 we're gonna ask that...

17 [pause]

18 CHAIRPERSON WILLIAMS: Thank you; [gavel]
19 gonna resume. Wasn't that fun? We're gonna call on
20 Council Member Garodnick to give his opening
21 statement.

22 COUNCIL MEMBER GARODNICK: Thank you very
23 much, Mr. Chairman and I thank you and Chair Espinal
24 for having the hearing today.

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2 And I wanted to just very briefly note
3 what the problem is that we are trying to address.
4 Too often tenants are getting knocks on their door
5 with an opportunity to relinquish their apartment and
6 if the tenant doesn't accept the deal on the spot,
7 the agent representing the owner will knock again and
8 they're gonna keep knocking and keep knocking,
9 sometimes at three o'clock in the morning or at a
10 tenant's place of work, buyout offers, change,
11 frequently no paperwork is present, agents will
12 continue to threaten and harass tenants to accept an
13 offer even after a tenant has turned it down and has
14 requested that there not be any further contact.

15 An owner who thinks that they convert a
16 rent-stabilized apartment into a mark rate apartment
17 or tear down an old building to build a new one may
18 hire these sorts of agents or tenant relocation
19 specialists; we've seen this sort of behavior too
20 frequently; we have even formed an entire task force
21 to take on predatory practices in housing; you come
22 in, you buy a place and do whatever you can to push
23 tenants out as quickly as possible so that you can
24 convert the units to market rate. This has become an
25 increasing problem in New York City; tenant

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2 relocation specialists exist in a world with very,
3 very loose regulations; they harass, intimidate,
4 threaten and disrupt people's lives in order to get
5 their job done.

6 Last year, Attorney General Schneiderman
7 took action against two relocation specialists with a
8 history of harassment and intimidation, but we in New
9 York City are not going to wait for the State to take
10 on specialists one by one, we need to take action
11 now. And so I'm glad we're having a hearing on a
12 variety of bills, but specifically Int. 682, which
13 requires that relocation specialists and agencies get
14 a license and operate under strict rules; they'd be
15 required to give tenants a written offer upon a first
16 meeting, along with contact information and the
17 clarity that they have the right to refuse without
18 being contacted again; we prescribe the terms of
19 engagement. And by the way, I have the benefit of
20 having the ability of say an opening after DCA has
21 given their testimony, so I will note that the
22 penalty is not \$300; it's from \$1,000 to \$10,000 and
23 you know, even though it is the position of DCA that
24 this should be more of a ministerial matter, we don't
25 believe that this should be a ministerial matter; we

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2 believe in DCA that you have the ability to go after
3 these guys not just by showing up to their place of
4 work, we did it when we licensed process servers;
5 that was another bill that I sponsored and that DCA
6 supported and we can do it here. And I wanted to
7 just make that point before we go any further.

8 People's homes are their sanctuaries and they should
9 feel safe and secure there and that is just
10 impossible when they are being hounded by someone who
11 is looking as aggressively as possible to push them
12 out.

13 So that's why I've introduced this bill,
14 so Chair Williams; Chair Espinal, thank you so much
15 and we look forward to continuing this conversation
16 with the Administration, so thank you.

17 CHAIRPERSON WILLIAMS: Thank you very
18 much, Council Member Garodnick.

19 I do have a few questions; I'll keep most
20 of mine to 700 and 757 and allow my colleague and co-
21 chair to ask some questions about 682, and then I'll
22 come back and then we'll go to my other colleagues.

23 I wanna be clear on 700; it appeared from
24 the testimony there was some support and you just
25 wanted, apparently, some changes in what the

1
2 definition of tenant buyout is and indication that
3 harassment takes the form of non-cash as well; can
4 you clarify that, the support and/or changes you
5 would look for in 700?

6 DANIEL HERNANDEZ: That is what we were
7 proposing as part of our input, including a clear
8 definition about what buyout is so that we can sort
9 of focus on what that issue is when we hear it, and
10 that we can demonstrate it more effectively in court
11 or a harassment situation.

12 CHAIRPERSON WILLIAMS: And so the support
13 both for Int. 700 and 757 with those changes?

14 DANIEL HERNANDEZ: Yes.

15 CHAIRPERSON WILLIAMS: Do you have a
16 position on 682?

17 DANIEL HERNANDEZ: Uh...

18 BAABA HALM: So Council Member Williams,
19 I am Baaba Halm, Assistant Commissioner for
20 Government Relations at HPD. On 682 we believe that
21 the tenant relocation specialists and how prevalent
22 they are should be explored, we don't really have
23 much data or information about those specialists, and
24 so we defer to DCA on that particular bill.

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2 CHAIRPERSON WILLIAMS: Do you have a lot
3 of complaints from tenants or tenant advocates about
4 offers of buyouts or about tenant relocators?

5 DANIEL HERNANDEZ: So we're aware of
6 reports that landlords are using aggressive tactics
7 in connection with tenant buyouts, but we're not able
8 to quantify the situation in a way that allows us to,
9 you know to full extent; we do have data on
10 harassments that have been initiated, but not on
11 these particular issues.

12 CHAIRPERSON WILLIAMS: So how are you
13 aware that it's a problem?

14 DANIEL HERNANDEZ: We hear them through
15 the tenant forums and landlord forums that we hold
16 and so we don't have -- again, like I said, we just
17 don't have the actual data [background comment] on
18 those particular issues.

19 CHAIRPERSON WILLIAMS: Do you believe
20 that tenant harassment, or do you hear that tenant
21 harassment about the buyouts happens repeatedly as a
22 buyout; is it your understanding that it happens
23 once; does it happen multiple times; what's your
24 understanding of how it occurs?

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2 DANIEL HERNANDEZ: Again, what we're
3 hearing from tenants as we're out doing these tenant
4 rights forums, we're hearing everything from just the
5 initial harassment, the initial contact and the types
6 of offers they get to an extended period of time and
7 then they pursue other sorts -- the measures that I
8 sort of described in the testimony as well.

9 CHAIRPERSON WILLIAMS: Thank you. Also
10 I've heard -- just when I was doing organizing,
11 sometimes -- I mean it's definitely harassment and
12 sometimes tenants, it sounds like a lot of money to
13 them and no one really explains that it isn't and so
14 when they try to get an additional apartment, even
15 the money that they did receive runs out very, very
16 quickly and then they end up not being able to afford
17 the apartment that they came, so that's an additional
18 problem, even for those who do end up taking it.

19 But I'm gonna pass it to my co-chair, see
20 if he has any questions and then I'll have additional
21 after that.

22 CO-CHAIRPERSON ESPINAL: My question is
23 to DCA on 682. So just to be clear on the record,
24 DCA does not support 682 as it currently stands?
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2 AMIT BAGGA: DCA supports the notion of
3 regulating tenant relocation specialists and the
4 industry in general; we believe that any legislative
5 approach to regulating these actors would have to be
6 both stiff and enforceable; we would like to work
7 with the Council to come up with a proposal that we
8 believe would appropriately and effectively
9 accomplish these goals.

10 CO-CHAIRPERSON ESPINAL: Are there any
11 other industries, as my colleague Garodnick pointed
12 out, that DCA currently regulates if not license the
13 act -- or behave the same way?

14 AMIT BAGGA: I'm going to defer to my
15 colleague Tamala Boyd to answer that question.

16 TAMALA BOYD: So if the question is Mr.
17 Garodnick's -- [background comments]

18 CO-CHAIRPERSON ESPINAL: It's similar to
19 what Garodnick pointed out, that in the past, you
20 know we've done things legislatively to regulate
21 industries that behave similarly to them; [background
22 comment] do you... you know, is there anything that you
23 think that we can apply from previous laws into this?

24 TAMALA BOYD: Yeah, right. So
25 Mr. Garodnick pointed out process servers; we do

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2 regulate process servers; I think that the difference
3 is that process servers are subject to very, very
4 heavy record retention regulations; they have GPS
5 trackers; I mean there are numerous things in our
6 laws and rules that allow us to enforce against them.

7 CO-CHAIRPERSON ESPINAL: So do you
8 believe that we can do something similar to these
9 tenant relocators?

10 AMIT BAGGA: As Tamala mentioned, one of
11 the provisions that process servers are subject to
12 are very heavy record retention requirements; we do
13 believe that were there to be a regulatory approach
14 to tenant relocation specialists, as similar to 682,
15 that recordkeeping requirements would absolutely have
16 to be a component of that approach.

17 CO-CHAIRPERSON ESPINAL: Okay. Has DCA
18 ever received a phone call from a person who's had
19 interaction with a tenant relocation specialist?

20 AMIT BAGGA: In the last year we have no
21 records of any complaints being directed to us
22 regarding this issue.

23 CO-CHAIRPERSON ESPINAL: Okay. Thanks.
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25

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2 CHAIRPERSON WILLIAMS: I just wanted to
3 -- Actually, I'll let Council Member Garodnick go and
4 then I'll come back.

5 COUNCIL MEMBER GARODNICK: Thank you very
6 much, Mr. Chairman.

7 So let's just talk a little bit about the
8 contours of what DCA envisions. My sense is that the
9 official position of the Administration is yes on
10 regulating tenant relocation specialists, but perhaps
11 to focus the regulation on record retention as
12 opposed to the behavior that underlies the activity.
13 Is that a fair summary of your testimony?

14 AMIT BAGGA: I will defer any comments on
15 the issue of behavior to my colleagues at HPD;
16 however, as far as our ability to enforce any
17 particular law would be concerned, DCA would require
18 record retention to be an element of that; that would
19 give us the broadest ability and most direct ability
20 to conduct enforcement.

21 COUNCIL MEMBER GARODNICK: Okay. So HPD;
22 DCA kicked it over to you; what say you?

23 BAABA HALM: We say that's very
24 interesting. Obviously we support Int. 700 and 757
25 which adds making a continuous offer or reaching out

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2 to tenants after they have indicated that they are
3 not interested in hearing any offers as a form of
4 harassment, which a tenant can initiate an action in
5 Housing Court to enforce, so that speaks to the
6 behavior that we think should be scrutinized and
7 subject to enforcement action.

8 AMIT BAGGA: I would just like to add
9 that Mayor de Blasio, obviously one of his top
10 priorities, if not his top priority, is the
11 preservation and creation of affordable housing and
12 so in general, of course, DCA supports this priority
13 and does not in any way support the notion of
14 harassment against tenants.

15 COUNCIL MEMBER GARODNICK: Okay, so
16 there's a lot to digest there. I think what I hear
17 is; HPD, on behalf of the Administration, believes
18 that we should define the contours of engagement
19 between landlord and tenant when it comes to buyouts;
20 correct?

21 DANIEL HERNANDEZ: Yes.

22 COUNCIL MEMBER GARODNICK: DCA takes no
23 position on that subject specifically; is that
24 correct? You're all working for the same guy, so it
25 doesn't really matter, I just really wanna make sure

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2 that I get it; right, I mean if I'm understanding
3 you?

4 AMIT BAGGA: Clarifying the contours of
5 that arrangement would certainly be helpful and
6 productive when it comes to regulatory approaches to
7 tenant relocation specialists.

8 COUNCIL MEMBER GARODNICK: Okay, good.
9 Well that's certainly what we're trying to do with
10 the bill.

11 Now in your testimony, DCA, you talked
12 about how you understand that frequently with tenant
13 relocation specialists they may not operate out of a
14 particular location; I don't know specifically how
15 true that is, but I accept for the moment that that
16 could be a challenge for us, and I also accept the
17 benefit of having record retention for your ability
18 to enforce, but my core question here is; surely
19 there is a way for DCA in the context of a regulatory
20 scheme with licensees to take aim at the behavior
21 itself and not just the preservation of records;
22 isn't that fair?

23 AMIT BAGGA: I'm going to have Tamala
24 assist me in answering this question, but I will
25 begin by saying that the easiest and most direct way

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2 for us to conduct enforcement in this space would be
3 an examination of records and I would like to just
4 turn it over to Tamala to add to that.

5 TAMALA BOYD: I think the problem with no
6 physical location... [interpose]

7 CHAIRPERSON WILLIAMS: Can you announce
8 your name, please?

9 TAMALA BOYD: Excuse me?

10 CHAIRPERSON WILLIAMS: Announce your
11 name.

12 TAMALA BOYD: Oh, Tamala Boyd. The
13 problem with lack of a physical location is the
14 problem with not being able to observe the activity;
15 the records create a predicate for us to bring the
16 action; otherwise all we have is a complaint. We do
17 do complaint-based enforcement, but it's challenging,
18 it is challenging and so I think what Amit is trying
19 to show is how to make this less challenging.

20 AMIT BAGGA: If I may, I'll give some
21 parallel examples of where we do conduct complaint-
22 based enforcement.

23 So for example, in the enforcement of the
24 Paid Sick Leave Law, almost exclusively our
25 enforcement is complaint-based; an employee would, in

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2 theory, come to DCA with an allegation and then we
3 conduct a period of information-gathering; once we've
4 been able to gather certain pieces of information, we
5 can then approach the employer and utilizing records,
6 be they of hours worked, amount paid, hours docked,
7 etc., we are able to build a case potentially against
8 an employer or verify whether or not the claim might
9 in fact be unfounded; there is also a notion of
10 employee accountability here. Absent recordkeeping
11 it is very difficult for us to determine the voracity
12 of an allegation, be it made by an employee against
13 an employer in the context of Paid Sick Leave or a
14 tenant against a tenant relocation specialist in this
15 context. We of course agree with the Council and
16 with HPD that the issue of aggressive buyouts and
17 predatory conduct perpetrated by tenant relocation
18 specialists is absolutely problematic; we do however
19 have to look within the context of our authority and
20 our ability to conduct reviews and investigations
21 what would be the most appropriate approach for DCA
22 that would in fact get to, ultimately, the
23 prosecution of tenant relocation specialists within
24 our authority, and that would require recordkeeping.

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2 COUNCIL MEMBER GARODNICK: Okay; not to
3 take anything away from recordkeeping, because I
4 think that you're right and we probably should make
5 sure that that is more clearly defined in the rules
6 as to what a tenant relocation specialist must have
7 or keep in this context, but I don't think we should
8 minimize the complaint-based enforcement authority of
9 DCA, because in this context if somebody complains
10 that they got a reach-out from a landlord who is
11 acting as a relocation specialist or a tenant
12 relocation specialist themselves and said, they
13 approached me; they gave me a verbal offer and DCA
14 inquires and says we'd like to see the written offer
15 that you are required to give under the law and they
16 cannot produce it; you then have a foundation for
17 action; right?

18 TAMALA BOYD: I mean I think you sort of
19 made one of the points that we're trying to make..
20 [crosstalk]

21 COUNCIL MEMBER GARODNICK: Good. Good.

22 TAMALA BOYD: that the consumer's going
23 to complain about the landlord; one of the problems
24 with the bill is that there is no landlord
25 accountability; without any records, we have no way

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2 of connecting the landlord with the tenant relocation
3 specialist.

4 COUNCIL MEMBER GARODNICK: Fair point and
5 I think that we need to make sure that the
6 recordkeeping component allows you all to do that
7 enforcement, but we also wanna make sure that it is
8 within DCA's bailiwick, as I believe it is, to be
9 able to enforce in that circumstance, because it is
10 within your power; we know that it's more complicated
11 when you're dealing with complaint-driven
12 enforcement, but it is a power that we want you to
13 exercise here and that's one of the reasons why we're
14 proposing a licensing scheme for these guys on the
15 first instance. So I'm not gonna hog all the time,
16 but I think I have an understanding of the general
17 position here and I do think that we should see
18 whether there's ways for us to add some more
19 recordkeeping, but that can't be the sole basis of
20 DCA's action -- failure to keep a record -- it has to
21 be; your records were the way for us to get at you
22 for your bad acts and not just we're issuing
23 violations because you failed to keep a proper record
24 that you contacted a tenant on this date.

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2 AMIT BAGGA: I think I'd like to clarify
3 our position to make clear that were we to let's say
4 take on licensing here and were there to be a
5 situation where let's say a landlord or a tenant or a
6 tenant relocation specialist failed to keep a record;
7 that could of course be the basis, potentially, of
8 the issuance of a violation; our view is broader than
9 that; our view is that those records are important
10 not just for the sake of the records existing, but
11 rather the records are what allow us to prove the
12 voracity of a potential allegation or claim. So
13 absent the records, our enforcement ability becomes
14 much more constrained, which is why the recordkeeping
15 is not simply a matter of course, but rather the key
16 to ensuring that we are able to utilize our
17 complaint-based enforcement authority to actually
18 engage in enforcement in this context.

19 COUNCIL MEMBER GARODNICK: Okay, I think
20 I get it. Thank you. Thank you, Chairman.

21 CHAIRPERSON WILLIAMS: Thank you. I just
22 want to understand what you do with the process
23 servers a little bit better, 'cause it seems to be
24 similar. So is their recordkeeping the basis of
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2 which you provide oversight for the process servers
3 and how do you deal with them when they violate?

4 TAMALA BOYD: So as I said, process
5 servers have pretty stiff recordkeeping requirements;
6 we do compliance check from process servers; they are
7 required to... [interpose]

8 CHAIRPERSON WILLIAMS: You do... You do...

9 TAMALA BOYD: compliance check so...

10 [crosstalk]

11 CHAIRPERSON WILLIAMS: Compliance check.

12 Okay.

13 TAMALA BOYD: okay; they are required to
14 report into us in certain circumstances; we look at
15 those reports; we also occasionally, as part of the
16 compliance check, collect all of their documents and
17 review their GPS records to make sure that they were
18 where they said they were; whenever they go to court
19 they are required to let us know that they have gone
20 to court so that if we later get a complaint about
21 process server activity we can match it back to those
22 records. So we really are pretty reliant on first,
23 complaints, definitely complaints, but also in
24 confirming whether -- as Amit said, confirming the
25 voracity of those complaints; the records that the

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2 process servers are required to keep; they're also
3 required to keep pretty explicit logs of their
4 activities; all of that helps when you're talking
5 about a complaint-based license category.

6 CHAIRPERSON WILLIAMS: So when you get
7 the complaint, you use the records to then sort of
8 regulate any violation of the behavior?

9 [background comments]

10 TAMALA BOYD: We use the records to help
11 us determine the [background comment] voracity of the
12 complaint, of the allegations in the complaint; we
13 use the records also to figure out what other records
14 we need to request as part of, say a subpoena.

15 CHAIRPERSON WILLIAMS: So if there is
16 more recordkeeping demanded in the law, do you feel
17 you'll follow a similar strategy?

18 AMIT BAGGA: We could potentially; I
19 think we would have to learn a lot more about the
20 nuances of the way in which these tenant relocation
21 specialists actually operate; this is not a space,
22 housing in general, that DCA is particular familiar
23 with and has no history of enforcement, and so before
24 I can answer your question more specifically, we
25 would have to engage with the Council, of course and

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2 also with partners in government and advocates to
3 better understand what are exactly the nature of the
4 interactions between tenant relocation specialist and
5 tenants. We have a general understanding, but a more
6 specific understanding would allow us to better
7 propose a strategy for licensing and enforcement.

8 CHAIRPERSON WILLIAMS: Is there any
9 cross-section that would be done through DCA/HPD,
10 should this get passed, to make sure that the
11 oversight is being provided?

12 BAABA HALM: We would gladly work with
13 DCA to talk about the nature of the landlord-tenant
14 relationship and the nature of the interaction
15 between landlord and tenant to inform their licensing
16 or whatever regulatory scheme that they set up, but
17 the legislation as written doesn't require us to do
18 anything affirmative with respect to the regulatory
19 scheme.

20 CHAIRPERSON WILLIAMS: There are some
21 other parts of the law that kind of have some built-
22 in recordkeeping, so saying that you can't call
23 someone after a certain amount of hours, you can't
24 call them at work; so are those things that you can
25 use even without additional recordkeeping to provide

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2 oversight and make sure that tenant relocators are
3 following the law?

4 AMIT BAGGA: I think we would have to,
5 like I said, to work with Council and also with
6 advocates to better understand how exactly tenant
7 relocation specialists operation with respect to
8 harassment before we would be able to determine that.

9 CHAIRPERSON WILLIAMS: I'm just trying to
10 be clear, because the original thing was
11 recordkeeping, so these would have built-in records,
12 so it seems to me that there will be something that
13 you can actually work off of to make sure that the
14 harassment is not happening.

15 AMIT BAGGA: What we foresee as
16 increasing our ability to conduct enforcement here
17 would be much more robust recordkeeping than what is
18 currently provided.

19 CHAIRPERSON WILLIAMS: Okay.

20 CO-CHAIRPERSON ESPINAL: DCA currently
21 regulates immigration service providers, tax
22 preparers and employment agencies; do they?

23 AMIT BAGGA: We do not license
24 immigration service providers; we have some
25 constrained authority over immigration service

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2 providers; we have an ability to conduct patrol
3 inspections...

4 CO-CHAIRPERSON ESPINAL: So you regulate
5 them to a degree?

6 AMIT BAGGA: To a very small degree.

7 CO-CHAIRPERSON ESPINAL: Okay. Is there
8 anything that we can take from that and try to apply
9 to tenant relocators?

10 AMIT BAGGA: We can certainly look into
11 that and get back to you.

12 CO-CHAIRPERSON ESPINAL: Okay.

13 CHAIRPERSON WILLIAMS: So we have Council
14 Member Levine and Council Member Koslowitz. Hold on
15 one second, I'm sorry -- one second. Council Member
16 Levine and Council Member Koslowitz.

17 COUNCIL MEMBER LEVINE: Good morning;
18 thank you all for being here.

19 I'm trying to understand how it is that
20 there's so little information we currently have other
21 than anecdotes about the conduct of this industry.
22 Are these transactions not reportable for tax
23 purposes; some of them are very large; some of them
24 are six figures? Should neither party be reporting
25 this for tax purposes?

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2 DANIEL HERNANDEZ: Yeah; I mean we don't
3 track a transaction of a private owner to a -- No,
4 that's not something we track, actually; I mean we do
5 track harassments, particularly when they are related
6 to a physical condition in the building; those are
7 processes that HPD is responsible for managing, but
8 these buyouts are something that hasn't been required
9 as part of what our structure is responsible for
10 tracking, so no, we don't have data on that.

11 COUNCIL MEMBER LEVINE: Right, because
12 most harassments rely on the tenant to report;
13 correct and in the case of a buyout, almost by
14 definition, that's not gonna happen. At least if it
15 gets to the point of a transaction, probably the
16 tenant's been convinced that it's in their interest,
17 even if it might not be or they may just be scared or
18 misinformed.

19 DANIEL HERNANDEZ: You know, as I
20 provided in the testimony, HPD is involved in a
21 harassment situation when the tenant reports it and
22 it's related to some of the situations we talked
23 about; that the landlord has changed the locks on the
24 door; that there's an extended time for the
25 rehabilitation of a unit or it becomes a physical

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2 condition that we then get involved in the -- as part
3 of our Housing Maintenance Code compliance efforts
4 and oversight, we get involved in those sorts of
5 transactions... [interpose]

6 COUNCIL MEMBER LEVINE: So... So... Sorry; so
7 many of these cases, so many of these offers occur
8 during a Housing Court proceeding; a huge number of
9 cases "settle," I use that work in quotes, but it's
10 often it's under duress for the tenant, but before an
11 actual eviction order is issued tenants are convinced
12 to leave and that's one of the most common scenarios
13 for this kind of buyout when tenants are under
14 duress, they're scared, they feel they might lose
15 everything. Because there is a court record of such
16 cases, and at least a record of a dismissal, is that
17 no route in to begin to collect data, at least on
18 buyouts that occur during a court proceeding?

19 DANIEL HERNANDEZ: Yes; actually that's
20 part of the reason why we are supportive of these
21 intros, and what our recommendations were is to begin
22 defining buyout so that it can be something that we
23 can begin to monitor and track.

24 COUNCIL MEMBER LEVINE: Part of what
25 these bills are doing is I think creating a more

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2 robust definition of what harassment is in this
3 situation, but I'm thinking there must be some laws
4 that already apply, if, for example, a tenant is
5 suffering from Alzheimer's and an unscrupulous
6 landlord exploits that and gets them to sign a very
7 unfavorable deal; has no law been violated in such a
8 case?

9 BAABA HALM: That we won't be able to
10 speak to, you know, because most often when we, HPD
11 becomes involved, it's to enforce the Housing
12 Maintenance Code, so again, a specific condition in a
13 particular unit or in the building, so if those
14 things don't present, then the fact that a tenant
15 has, you know a medical condition and you know, they
16 have lost their apartment and a condition is related
17 to it, we wouldn't be aware of; we wouldn't be able
18 to verify; we wouldn't have any knowledge of that.

19 COUNCIL MEMBER LEVINE: So many of these
20 units are ultimately taken out of rent regulation, so
21 it's bad for the individual who loses their home, but
22 the City loses an affordable apartment forever,
23 potentially. I realize DCR has the most direct
24 oversight in that case, but at the moment that such a
25 unit is taken out of regulation, presumably DCR is

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2 informed and I wonder if at that point there's a
3 chance to capture data on whether there was a buyout
4 involved in the vacancy?

5 DANIEL HERNANDEZ: We are aggressive in
6 monitoring units that where a landlord is taking a
7 unit or not complying with a rent-regulated unit,
8 we're aggressive in those efforts, but again, part of
9 what I think we're about with these intros, of these
10 bills is that the additional oversight and being able
11 to define buyout as one of the harassment..
12 identifying harassment; again, typically when we're
13 involved, as what you just talked about, a unit that
14 is not being -- that the landlord is not complying
15 with the rent regulations related to that unit, but
16 the other one is; we are also very aggressive in
17 maintaining the Housing Maintenance Code, which
18 again, we hear through violations of some physical
19 conditions and it's oftentimes to harass a tenant to
20 try to get them out of the unit, but that's not
21 necessarily why we're going into the unit is the
22 buyout situation; it's more about a physical
23 condition that the landlord has let deteriorate;
24 maybe with an ulterior motive of trying to get the
25 tenant out of the unit, but we learn about it because

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2 of a physical condition and the tenant's filed a
3 complaint.

4 COUNCIL MEMBER LEVINE: Alright. Thank
5 you very much.

6 CHAIRPERSON WILLIAMS: Council Member
7 Koslowitz.

8 COUNCIL MEMBER KOSLOWITZ: Thank you.
9 How many complaints does DCA get from tenants?

10 AMIT BAGGA: In the last year we have
11 received none.

12 COUNCIL MEMBER KOSLOWITZ: How many?

13 AMIT BAGGA: None.

14 COUNCIL MEMBER KOSLOWITZ: None?

15 AMIT BAGGA: None.

16 COUNCIL MEMBER KOSLOWITZ: I would never
17 think of calling DCA if I had a problem in any way.
18 It seems to me that landlords more and more are
19 harassing people. I have a lawyer in my office every
20 Monday night who deals strictly with landlord-tenant
21 work and the calls that he gets and the meetings
22 people coming to see him is unbelievable, because
23 there are people that are harassing, especially
24 seniors, they're harassing them because they're
25 paying a lesser rent and they're getting a lot more

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-- I am a renter, I rent my apartment and in the last 15 years since I'm living in this apartment, my rent has doubled, NCIs and all different things going on. What recourse does a senior have; a senior gets threatened to be taken to court for, you know, various reasons that don't exist and when you get calls, and HPD can answer this, from people, they don't know who to call; they don't even know where to go; they come to my office; we can definitely not represent them in court; we can write a letter to the landlord; sometimes it works, but a lot of times it doesn't work. What's the recourse?

DANIEL HERNANDEZ: The action is; is for a citizen to call 311 and/or visit their website and/or... [crosstalk]

COUNCIL MEMBER KOSLOWITZ: 311 is... you know, they refer you and when someone is being harassed [background comments] they want action and they don't wanna call 311; there has to be a place where that person could go; you're dealing with senior citizens who are living in homes that they've lived in for maybe 35, 40 years; some 50 years; they wanna continue to live in their homes. I have landlords that have said, I wish they would die, with

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2 seniors. There has to be some recourse that could be
3 done to help these people other than 311, so they get
4 a number and they wait and wait, 'cause we get a lot
5 of those calls in the office about 311 and they give
6 us the number. I mean 311 is great in a lot of
7 different circumstances, but when a senior is
8 harassed by a person, 311 is not the answer for that
9 person.

10 AMIT BAGGA: So I think what you have
11 laid out is the very exact dire situation that this
12 hearing is all about and I know that there is a high
13 prevalence of seniors in Forest Hills and Rego Park
14 and I think this is why DCA is here today to say that
15 we support the notion of regulating and taking
16 enforcement actions against tenant relocations
17 specialists; what that looks like in terms of whether
18 it is DCA licensing or another regulatory agency
19 being the licensing and enforcement authority, you
20 know we think that that remains to be determined, but
21 we do very much understand how dire the situation is
22 and we agree that the tenant relocation specialists
23 have engaged in levels of unacceptable harassment;
24 this is one of the reasons that one of our
25 suggestions for improving the bill is to also look

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2 at, as relevant and as needed, the criminal histories
3 in the licensing process or in the regulatory process
4 of the individuals who would be tenant relocation
5 specialists. We also want to ensure that these
6 individuals are not those who have perhaps in the
7 past engaged in physically abusive behavior or other
8 types of criminal activity, and so we very much
9 support the notion of regulating the space.

10 Additionally, one of our suggestions for improving
11 and strengthen the legislation is to add a Private
12 Right of Action, which would enable tenants,
13 including seniors, to be able to seek damages and
14 restitution more directly and more effectively, and
15 so that's what we're here today to express to the
16 Council.

17 COUNCIL MEMBER KOSLOWITZ: But I think
18 they need some kind of recourse, the people that are
19 doing the harassing; they need.. they have to report
20 to someone, they can't stand alone, they have to
21 report to someone and I think people would feel very
22 satisfied if they knew that these people had to
23 report to someone, whether it be through licensing...
24 [interpose]

25 AMIT BAGGA: We agree.

1
2 COUNCIL MEMBER KOSLOWITZ: it's very
3 important and when I bring out seniors, it's because
4 they're frightened, they're frightened in many ways,
5 they're alone, they have nowhere to turn; they have
6 nowhere to go, they're frightened and they don't know
7 what to do, so they come to me and I wanna see them
8 being helped and I wanna see the people that are
9 frightening them to be somehow regulated in the fact
10 that at least you know where to go.

11 AMIT BAGGA: We absolutely agree.

12 COUNCIL MEMBER KOSLOWITZ: Thank you.

13 CHAIRPERSON WILLIAMS: Thank you very
14 much. I wanted to know if we require that a landlord
15 or owner would not be allowed to disclose a tenant's
16 contact information without the written consent of a
17 tenant, would that assist in the complaint-based
18 enforcement that there would be some kind of written
19 record that was required?

20 AMIT BAGGA: I'm sorry, if you wouldn't
21 mind just clarifying; what exactly is the type of
22 requirement you are referring to?

23 CHAIRPERSON WILLIAMS: So the requirement
24 would be for the landlord not be allowed to disclose
25

1
2 a tenant's contact information without written
3 consent from the tenant.

4 AMIT BAGGA: To a tenant relocation
5 specialist you mean or to anyone...? [crosstalk]

6 CHAIRPERSON WILLIAMS: Well this is mean..
7 in general, but this is meaning... [crosstalk]

8 AMIT BAGGA: In general.

9 CHAIRPERSON WILLIAMS: for the tenant
10 relocater, yeah.

11 AMIT BAGGA: I think that is certainly a
12 type of record that would be useful; I think we would
13 love to work with the Council to explore what are the
14 other additional types of records that we would think
15 bolster our enforcement ability.

16 CHAIRPERSON WILLIAMS: Thank you.

17 CO-CHAIRPERSON ESPINAL: I had a crazy
18 idea and I just wanna run it by HPD and see what you
19 guys think. How about requiring for landlords to
20 proactively file with HPD when they're going to do a
21 buyout of an apartment? Has that idea ever come up
22 or is that something you see that could work; create
23 a database where landlords would have to file and say
24 I'm trying to buyout apartment 7-A?

1
2 DANIEL HERNANDEZ: So we know that is one
3 of the proposed, like cover [sic] intros and 576 is
4 one of those scenarios and so we haven't had a chance
5 to completely review it, but can we get back to you
6 on it and give our opinion on it, 'cause we just
7 haven't delved into it enough yet? [background
8 comment] Yeah.

9 CO-CHAIRPERSON ESPINAL: Alright, thank
10 you; appreciate it. We're gonna call up the next
11 panel.

12 CHAIRPERSON WILLIAMS: Thank you very
13 much.

14 [pause]

15 CO-CHAIRPERSON ESPINAL: I would like to
16 call up Ariana Marmora from Himrod Street; might be
17 my district; Cynthia Weaver; Arnold Acosta and Harvey
18 Epstein. Can we set the clock for two minutes?

19 [background comments]

20 Ariana; are you from my district?

21 [background comment] Oh, okay. [background comment]
22 Okay.

23 [background comment]

24 ARIANA MARMORA: My name's Ariana
25 Marmora; I'm a staff attorney at MFY Legal Services

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2 in the Housing Unit. For over 50 years MFY has
3 provided a wide range of free civil legal services to
4 low-income New Yorkers and some of the most
5 marginalized populations in our city, including on
6 issues of preservation of affordable housing and
7 eviction prevention, which is the area I work in.

8 MFY annually serves over 3600 tenants,
9 including more than 2000 who are at least 60 years
10 old and we're committed to working with the City
11 Council to protect the safety and affordability of
12 housing for low-income New Yorkers so they can
13 continue to be an integral part of our New York City
14 communities.

15 The tenants who seek our help at MFY are
16 in danger of eviction or living in unacceptable
17 housing conditions; many are long-term rent-
18 stabilized or rent-controlled tenants with affordable
19 rents, very affordable rents. Indeed it is their
20 continuing presence that represents much of the
21 affordable housing in the city and today I wanna
22 share with you two stories from our advocates, people
23 we've represented at MFY who have dealt with this
24 very issue of buyout harassment, repeated requests to
25 buy out tenants so they'll vacate their affordable

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2 apartments. First Mr. D, an elderly single-room
3 occupancy or SRO tenant living on the Upper East
4 Side, faced repeated buyout offers, sometime five or
5 six times a week, after he notified his landlord that
6 he wasn't interested in vacating the apartment. His
7 landlord's consistent pressure to accept a buyout
8 exacerbated his existing mental health conditions and
9 anxiety and forced him to completely change his
10 routine in order to avoid seeing the landlord and his
11 agent. It was only after MFY intervened that the
12 landlord's agents relented and stopped harassing him.

13 Another one of my clients, Mrs. A, a
14 working mother of three in Washington Heights... [bell]

15 CO-CHAIRPERSON ESPINAL: You are my
16 constituent; I don't wanna ruffle any feathers...
17 [crosstalk]

18 ARIANA MARMORA: I can finish that one...

19 CO-CHAIRPERSON ESPINAL: so I'll give you
20 a few seconds... [crosstalk]

21 ARIANA MARMORA: Okay, thank you. After
22 communicating to her landlord that she wasn't
23 interested in taking a buyout, came home from work
24 one day to find a landlord's agent discussing a
25 buyout offer with her teenage daughter; he had told

1
2 the daughter that he had important legal documents
3 for Mrs. A in order to gain access to the apartment.
4 In summation, MFY supports Int. 757 and just wants to
5 highlight the severity of this issue in our work.
6 Thank you.

7 HARVEY EPSTEIN: Good morning, my name is
8 Harvey Epstein; I'm the Project Director and the
9 Associate Director at the Urban Justice Center; I'm
10 here to voice my... [background comments] Thank you.
11 I'm here to support the following bills, 682,
12 Int. 700 and Int. 2867.

13 And so the Urban Justice Center is an
14 umbrella organization that's been providing free
15 legal services in New York City for over 30 years.
16 The Community Development Project works a community-
17 based organization around the city to strengthen the
18 impact of grassroots organizations in New York.

19 And so these bills are really an
20 important piece of the landscape; I just wanna say
21 that this industry is unregulated; we seen this
22 happen time and time again in our communities; we've
23 represented dozens and dozens of tenants who face
24 this struggle, the repeated buyout offers, going to
25 people's places of employment, going to talk to

1
2 people's families, harassing time and time again
3 tenants until they feel like they have no choice.
4 There is no government response to this problem; as
5 we heard earlier from HPD and DCA, they're not
6 involved in this, this is not something that they
7 deal with; we need to deal with this. We need to
8 protect tenants whose English isn't their first
9 language and are being told, if you don't take this
10 buyout offer, I'm gonna call immigration and get you
11 evicted and get you deported. We need to protect
12 tenants who are told, you know they change the locks
13 on the front door and they make you come into the
14 office and say, well we wanna talk to you about a
15 buyout offer and they say, you need a new key to the
16 front door and they will go, here's my Mexican
17 passport and they say, that's not good ID; we need
18 you to leave. Stories like that come into our
19 offices every day. You need to deal with this; we
20 need government to deal with this and that's why we
21 support these bills. We support the idea that tenant
22 relocation specialists need to be regulated. We
23 worked with the Attorney General's Office to go after
24 some really bad actors and luckily the Attorney
25 General brought enforcement actions, but those are

1
2 the ones we knew about; those investigations took
3 over two years [bell]. We need government to act now
4 and I hope that you pass these bills and move forward
5 on this legislation. Thank you very much.

6 CYNTHIA WEAVER: My name is Cynthia
7 Weaver; I'm a Staff Attorney at Manhattan Legal
8 Services, but I'm here to speak on behalf of Legal
9 Services NYC and Local 2320 UAW [sic].

10 Legal Services NYC is one of the largest
11 providers of legal services for low-income people in
12 New York City; we are here to support a passage of
13 these bills.

14 Based on our litigation [sic] experience,
15 landlords and their agents tend to focus buyout
16 offers on long-term, low-income residents who are
17 elderly, disabled or limited English proficient.

18 Recently in my office, along with
19 organizational [sic] assistance from the Asian-
20 Americans for Equality (AAFE) has filed a group case
21 against a landlord in Chinatown. My client, Arnold
22 Acosta is a petitioner in that case and he will be
23 providing you with more details of his experience.

24 A new landlord purchased sarcophus [sic]
25 building in December of last year, immediately began

1
2 gutting vacant apartments without securing permits;
3 the building's air-shaft has been used as a make-
4 shift garbage chute and construction waste is still
5 entering each apartment. For Mr. Acosta, these
6 unbearable conditions are compounded by a relocation
7 specialist's repeated and unwanted offers to discuss
8 the legal status of his apartment. The specialist is
9 barred from engaging in such conduct under an
10 Assurance of Discontinuance he entered into with the
11 New York State Attorney General's Office last year;
12 clearly he has not ceased these activities.

13 I will just go shortly in conclusion that
14 we recommend the City Council to make it a violation
15 with Int. 682 for a landlord to engage in any of the
16 conduct in the proposed Section 2547. We also
17 recommend that 682 confer on tenants of private life
18 [sic] action against those who violate those
19 obligations under the law. I'm gonna turn my time to
20 Mr. Acosta.

21 ARNOLD ACOSTA: My name is Arnold Acosta;
22 I'm a tenant at 43 Essex Street and have lived in
23 this building with my wife for six years, since
24 approximately 2009. I am here today to provide some
25

1
2 details about my experience with the tenant
3 relocation specialist.

4 From 2009-2014, the previous landlord
5 insisted that I maintain the building in order to
6 receive a preferential rent amount; however, I was
7 never hired as the superintendent for the building;
8 in fact, the previous landlord's agent had spoken to
9 me about taking a buyout offer, which I refused
10 because I want to stay in this apartment.

11 At the end of December 2014, the building
12 was sold to a new landlord who we now know to be Paul
13 Galasso, 43 Essex LLC. No sooner after the building
14 was sold, gut renovations began in the vacant
15 apartments and a host of problems arose around the
16 building. At some point between January and February
17 of 2015 is when I had my first encounter with Michel
18 Pimienta.

19 One day during the evening hours of six
20 and seven my doorbell rang unexpectedly by a man
21 named Michel; he stated to me that he represented the
22 new landlord and I asked him in what capacity; Michel
23 never answered my question; he continued to converse
24 with me and stated to me that I had no lease, my rent
25 will be increased from \$1200 per month to \$1900

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2 effective immediately. He also stated to me that I
3 should sign a new lease with the new owner, even
4 though I already had a current lease that expired
5 later this year. At this time he never asked me for
6 a copy of my lease, but continued to tell me that
7 everyone in the building, their rent would be
8 increased as well. Further, he threatened that I
9 needed to make a decision as to whether I would take
10 his proposal [bell] or not. Michel also offered me
11 money to move out; I did not provide him an answer at
12 that time.

13 Michel came unannounced a second time,
14 rang my bell between seven and eight in the evening;
15 it was at this time that I felt my privacy was being
16 invaded. Michel stated to me that locks in the main
17 entry doorway would be changed; he went into a folder
18 he was carrying and gave me a letter with some dates
19 on it for when he would return to give us the key; he
20 also stated that he would like to discuss my
21 apartment with the new landlord and that we should
22 meet and it was obvious to me that they wanted to
23 discuss a potential buyout again.

24 The third time I saw Michel was when he
25 came to deliver the key; once again he stated to me

1
2 that the new landlord wanted to talk to me about my
3 apartment; then left. Between eight and nine in the
4 evening I receive a phone call from Michel; Michel
5 wanted to know if my keys were working and I should
6 give him a call back; Michel's tone was aggressive; I
7 felt he was trying to intimidate me.

8 The fourth time Michel came to see me it
9 was unannounced, he rang my doorbell between six and
10 seven in the evening, I looked through the peephole
11 and it was Michel. I opened the door, Michel stated
12 to me, "Guess who's here?" I replied, "Who?" Michel
13 stated, "It's the landlord." I realized that the
14 landlord was hiding behind my apartment wall so that
15 I could not see him through the peephole; I was very
16 concerned for my safety. Michel Pimienta and Paul
17 Galasso insisted that I meet with them. After they
18 left, my wife and I felt concern for our safety.

19 Since then, Michel Pimienta contacted me
20 more than three times; he would come to my door
21 unannounced; I am convinced that my wife and I are
22 being harassed by this man; he's stalking me at my
23 home.

24 Around April 1st or 2nd of this year,
25 Michel Pimienta came, slipped a note under my door;

1
2 the noted stated that he had information for me
3 regarding my lease; that the owner is going to sell
4 the building; Michel also slipped a new lease under
5 my door to have me sign and return to him; however,
6 that lease does not contain currently monthly rent
7 amount; the note also asked me to call him.

8 Between January 2015 to the present I had
9 been approached by Michel more than ten times,
10 whether it was in my building or on the street. I,
11 Arnold Acosta, find this man, Michel Pimienta, a very
12 disturbed individual whose actions really need to be
13 stopped. I thank you for your time.

14 [applause]

15 CHAIRPERSON WILLIAMS: Thank you. So
16 will you try not to clap and kinda do this [twisting
17 hands in the air]?

18 Thank you very much for your testimony;
19 I'm really sorry that you're going through that and
20 wish we could immediately fix it, which we can't, but
21 hopefully some of these bills would help.

22 And you're working with Manhattan Legal
23 Services?

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25

1
2 ARNOLD ACOSTA: No, I'm not working with
3 them. [background comments] I mean I'm working with
4 them, yes.

5 CHAIRPERSON WILLIAMS: Is something
6 happening with his case; is there something happening
7 to help him...? [crosstalk]

8 CYNTHIA WEAVER: Last Friday we filed a
9 [background comment] group HP case in Housing Court
10 [sic]... [crosstalk]

11 CHAIRPERSON WILLIAMS: I'm sorry; can you
12 repeat the mic?

13 CYNTHIA WEAVER: Sure. Last Friday
14 Manhattan Legal Services filed a group HP action
15 against the landlord on behalf of several tenants of
16 the building.

17 CHAIRPERSON WILLIAMS: And I understand
18 -- What's this, Michel Pimienta also been...
19 [background comments] the AG Office has barred him,
20 so doesn't sound like a nice guy at all.

21 Just so I understand correctly, at the
22 beginning you said you had to do maintenance services
23 just to keep the preferential rent; is that correct?

24 ARNOLD ACOSTA: Right.

25

1
2 CHAIRPERSON WILLIAMS: And you weren't
3 paid for it?

4 ARNOLD ACOSTA: Excuse me?

5 CHAIRPERSON WILLIAMS: You weren't paid
6 for it; you just... that was just... [crosstalk]

7 ARNOLD ACOSTA: No.

8 CHAIRPERSON WILLIAMS: Alright. A
9 preferential is whole 'nother problem, but.

10 For the advocates, who are the tenant
11 relocators in general; how often do you see owners
12 making the ask as opposed to the tenant relocators?

13 HARVEY EPSTEIN: Council Member Williams,
14 you know we have a lot of tenants here who are gonna
15 come testify as well, in addition to this gentleman,
16 but I would say what we see mostly is people who are
17 hired by the owner to do this job; that's what they
18 do; they are hired by multiple owners. Sometimes we
19 see this in-house in larger companies, but mostly
20 what we see is these... this Michel Pimienta and other
21 characters just like him who are hired as outside
22 hired guns.

23 CHAIRPERSON WILLIAMS: Do you think it's
24 usually more these relocators than actual landlords
25 asking directly?

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[background comment]

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CHAIRPERSON WILLIAMS: Is that the common
thought?

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[background comments]

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ARIANA MARMORA: Yeah, I think that's
exactly it and just the way that owners of buildings
hide behind LLCs and there's often a question that
tenants encounter with who is my actual landlord when
it comes time to file a suit. You know, landlords
and the agents [sic]; I feel that, in my experience,
the only time an actual owner of a building is the
one offering buyouts is with mostly much smaller
landlords, owning one or two buildings; nothing like
-- not in private equity; larger landlord situations.

CHAIRPERSON WILLIAMS: Are there any
neighborhoods or type of demographic tenant that's
usually the focus of this type of harassment?

HARVEY EPSTEIN: If you look at any
gentrifying neighborhood in the City of New York you
will find these tenant relocation specialists,
whether it's Crown Heights or the Lower East Side;
Harlem, we have seen this throughout the city and it
really connects to property values being basically a
landlord paying too much for the building, the

1
2 building's being over-leveraged, and then hiring
3 these tenant relocation specialists to try to move
4 forward to evict lower-income tenants or lower-
5 renting tenants so they can bring in higher rent-
6 paying tenants; it's the model that they use.

7 CHAIRPERSON WILLIAMS: Is there an
8 average offer that's offered? [background comment]
9 Would you mind mentioning how much you were offered?

10 [background comment]

11 ARNOLD ACOSTA: First time was about a
12 year's rent, a year's rent.

13 CHAIRPERSON WILLIAMS: You were offered a
14 year's rent?

15 ARNOLD ACOSTA: Yes.

16 CHAIRPERSON WILLIAMS: Is that similar or
17 what... what do you...

18 CYNTHIA WEAVER: We've seen offers range
19 anywhere from \$2,000 to \$150,000... [crosstalk]

20 CHAIRPERSON WILLIAMS: \$150,000?

21 HARVEY EPSTEIN: I mean, and I also think
22 there's a lot of it that's kind of broken out into
23 race and class and we've seen people who are --
24 English isn't their first language that are offered
25 these nominal offers of like \$2,000 or \$5,000; if an

1
2 owner has a preconceived notion that the tenant's
3 more sophisticated, they'll offer them more, but it
4 is really about trying to bully people who they think
5 they can bully out and then who they think are
6 disempowered because English isn't their first
7 language; that's where we see the really ridiculous
8 low offers and the higher the offer, the more they
9 think that a tenant's more sophisticated.

10 CHAIRPERSON WILLIAMS: Do you know of any
11 correlation between the buyout offers and other types
12 of harassment?

13 HARVEY EPSTEIN: I mean it's exactly the
14 same pattern; I mean sorry if I'm speaking again, but
15 it is -- buyout offers is just one factor and the
16 illegal construction; the other types of harassment
17 that we see time and time again of rent-stabilized
18 tenants where they're trying to remove the rent-
19 stabilized tenants and bring in higher-paying, market
20 rate tenants. So they're gonna do the gut rehab, so
21 they'll do the buyout offer and then the people have
22 to live through a construction zone and then they're
23 not gonna get services but the higher-income tenants
24 are or maybe they'll put facilities in the building
25 that they won't give access to the low-income tenants

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2 or the low-renting tenants, so they'll put a gym or
3 they'll put something on the roof; they'll do
4 everything they can to marginalize the tenants
5 between each other and try to force the tenants who
6 are lower-income to feel like they don't belong there
7 anymore and they need to move out.

8 ARIANA MARMORA: Yeah, I agree
9 completely; I think I would also say that the sort of
10 culture of fear that's created -- I mean I've seen
11 this in my district as well, where a landlord
12 convinces or basically harasses a few tenants in a
13 small six- or eight-unit building to move out and
14 then all of a sudden you have a situation where there
15 are very few tenants left and so the landlord at that
16 point has more leverage; the tenants that remain feel
17 more vulnerable. But just like Mr. Epstein said, I
18 think it's just another factor in a pattern of
19 harassment that we see in our work.

20 CHAIRPERSON WILLIAMS: Yes. [background
21 comment]. Okay.

22 CO-CHAIRPERSON ESPINAL: What is your
23 response to DCA's concerns about the initiative being
24 too slippery to regulate and license?
25

1
2 HARVEY EPSTEIN: It doesn't hold logic to
3 me that -- I mean the perfect example was given out
4 -- before we regulated process servers and before we
5 put real restrictions on what process servers could
6 do -- there I go; it's hard to regulate that
7 industry. But the reality is, what regulations have
8 done has allowed -- there was a lot of what's called
9 sewer [sic] service; we saw it in the consumer deck
10 [sic] cases where before in that industry you would
11 see 300,000, 400,000 cases being filed a year and 90
12 percent of them being defaults. Once you regulated
13 that industry in 2008, the numbers dropped by 70
14 percent. So what we see is, there's an easy way to
15 do it; you license people, and the easy way to do it,
16 you have books and records that they maintain; an
17 easier way, if they violate the rules, then you take
18 away their license. I mean, I think this is a
19 perfect use of DCA's regulatory authority and the
20 licensing is critical to this work; I think there are
21 any legal restrictions for us doing it; we looked
22 into that, and we think practically it's the most
23 logical way to regulate this industry, 'cause
24 otherwise we have the Attorney General doing two-year
25

1
2 investigations over people, but this is a really
3 simple thing for the Council to do.

4 CHAIRPERSON WILLIAMS: Two more
5 questions. Also, we were joined by Council Member
6 Ulrich earlier and now we're joined by Council Member
7 Cornegy.

8 The tenant relocators; how often are they
9 attorneys and are there other professions that they
10 usually come from?

11 ARIANA MARMORA: Other advocates might
12 have had different experience, but I find that.. I've
13 never heard of a tenant relocater being an attorney
14 or at least the agents of landlords who approach my
15 clients are often not attorneys, and you know, not
16 that they would anyway, but to that effect, don't
17 explain any of the sort of implications of accepting
18 a buyout offer; our tenants are often completely
19 unaware of the tax implications of accepting a buyout
20 offer; the way that accepting a buyout might affect
21 their public benefits.

22 CHAIRPERSON WILLIAMS: Also, there was
23 one issue that the Administration raised, which was
24 the lack of criminality for the landlord. Do you
25 have any comment on that; 'cause it seems to me that

1
2 they actually will get at the tenant relocater and
3 then I don't know if we'll get at the landlord, which
4 is the source of the problem, so I wanna know if you
5 had any comments on that.

6 HARVEY EPSTEIN: Yeah, so this doesn't
7 get to that problem, if a landlord's doing something,
8 but if they're hiring people and they're acting as
9 their agent; then they have direct authority from the
10 owner; I think by revoking this person's license that
11 we have control over that. Now the landlord's gonna
12 say, well if the tenant relocater did something
13 beyond my control, we didn't tell them to do that;
14 this doesn't get to that problem, but it gets to
15 trying to regulate an industry that's totally
16 unregulated. If it's the landlord, you know, there
17 are potential sanctions to do their affirmative
18 litigation that can be brought against the landlord,
19 but this doesn't solve all the problems, it just
20 solves one of them.

21 CHAIRPERSON WILLIAMS: Thank you. We
22 have someone who I think has a recording, Cathy Dang,
23 if you can come up; it's supposed to be a recording
24 of Mr... is it Pimento [sic]? [background comments]

1
2 Pimienta. [background comment] Yeah. Just state
3 your name and what... [crosstalk]

4 CATHY DANG: Okay.

5 CHAIRPERSON WILLIAMS: you're gonna be
6 playing.

7 CATHY DANG: I'm Cathy Dang; I'm the
8 Director of CAAAV Organizing Asian Communities.

9 CHAIRPERSON WILLIAMS: And what are you
10 gonna be playing?

11 CATHY DANG: I'm sorry?

12 CHAIRPERSON WILLIAMS: What are you gonna
13 be playing?

14 CATHY DANG: So this is a recording of
15 Michel Pimienta harassing one of the tenants that we
16 were organizing at 22 Spring. And same issue with
17 what he had been explaining earlier, so...

18 [background comment]

19 [audio recording being played]

20 [background comment]

21 CATHY DANG: It's hard to...

22 CHAIRPERSON WILLIAMS: I can't hear it.
23 Sergeant; is there any... do we have anything we can
24 hook up? Nothing? [background comments] Okay,
25 we're gonna try to see if we can find something to

1
2 hook up and then we'll call you... [background comment]

3 I'll call you back up. Thank you.

4 CO-CHAIRPERSON ESPINAL: Alright, thank
5 you; I'm gonna call up the next panel. Donna
6 Mossman, Cathy Dang, Donna Chi... Chid... [background
7 comment] Chiu, sorry, Donna Chu, Walter Azevedo,
8 Mellita Godfrey, Julie Patton, Patricia Ramirez,
9 Silvana Yakich; sounds like you're all part of the
10 same group, Stabilizing NYC. [background comment]

11 [pause]

12 Whoever would like to testify first,
13 please go ahead; just state your name on the mic.

14 [background comment]

15 DONNA MOSSMAN: My name is Donna Mossman
16 and I've lived in Crown Heights for 38 years, me any
17 mom, who is now 79 years old. I am one of the
18 founding members of the Crown Heights Tenant Union.

19 You know I sit here and I hear these
20 folks being referred to as tenant relocation
21 specialists; that title is too kind for what they
22 have done to our tenants and this only going to
23 create a business for them. If a landlord offers a
24 buyout and the tenant says no, that should be the end

25

1
2 of it, because now you're creating an industry for
3 them.

4 Buyouts is the fastest way for a
5 developer to get a hold of and empty a rent-
6 stabilized building. Robert Durst's wife, Debrah
7 Durst, just sold our buildings in April because we
8 have been giving them hell. They target tenants who
9 owe money that's the first thing; you're forgiven for
10 any back rent that you owe; if it takes you three
11 months to move, you're forgiven that rent, you don't
12 have to pay three months' rent. They bring you
13 \$10,000 the next day when you say yes. One woman
14 took the \$70,000 for her rent-stabilized apartment;
15 she couldn't find an apartment; she had to put her
16 stuff in storage because you know the new apartments,
17 one of the bedrooms can only fit a single bed and a
18 nightstand. She needed extra time to move because
19 she couldn't find a place; BCB told her, for every
20 day that you stay over we will charge you \$1000 a
21 day, because remember, they only gave her \$10,000 and
22 they have the \$60,000 remaining. She had to leave
23 and leave her belongings in her apartment. Another
24 tenant took the money; he ended up paying \$300 more a
25 month rent than he was currently paying. When BCB

1
2 came in, they offered tenants \$10,000; they offered
3 me seventy and I said no.

4 We started to organize every building
5 that BCB owned; they went from \$10,000 to \$25,000 and
6 the top money that they ended up offering was
7 \$125,000 for a rent-stabilized apartment. They took
8 the one-bedrooms and turned them into two, the two
9 into three, added a bathroom and now those apartments
10 are \$2500 to \$3500; I call them blended families. I
11 have young people who live in my building who are not
12 related, gender does not matter, nationality, nor
13 religion [bell] and they're paying \$1000 to live in a
14 room that you can only fit a nightstand in and a
15 single bed, and it has to stop. We have over 60,000
16 people who are homeless in New York City and that
17 number is gonna continue to rise. Debrah Durst sold
18 my building to a man who is referred to as The
19 Monster of Toronto, where he goes into a building,
20 changes the banisters and he wants to raise the rent;
21 he considers that a MCI. So I thought the fight had
22 eased up a little bit, because they've sold all of
23 their buildings in Crown Heights because we would not
24 give up and now we have someone who's coming in from
25 another country who's purchasing buildings here and

1
2 we have a contact in Stockholm and he advertised on
3 his website, "I bought two buildings in Crown Heights
4 and I'm gonna turn them into luxury buildings."
5 Pretty soon we're not gonna own anything here and
6 this is a racket, they're making money on the backs
7 of long-standing tenants. But tenant relocation
8 specialists, that's too kind for what they do and
9 that's gonna create an industry for them. If a
10 landlord offers you money and you say no, that should
11 be the end of it. Thank you.

12 SILVANA YAKICH: Good morning everyone.
13 My name is Silvana Yakich; I'm a member of the Stop
14 Croman Coalition and GOLES, part of 13 groups working
15 for the Stabilizing New York campaign; I'm also a
16 tenant of Steve Croman, who bought our building. He
17 wasted no time; he sent Anthony Falconite and Janeth
18 Donovan knocking on our apartment doors; the message
19 was loud and clear, a loble [sic] buyout of up to
20 \$10,000 and/or six months' free rent. Through
21 bullying, lying and bluffing Anthony and Janeth
22 managed to push out three out of the ten apartments;
23 myself and the rest of the old tenants were well
24 aware that Steve Croman wants us out and we had to
25 put up with all his terrible renovation practices.

1
2 First and foremost, it's unacceptable
3 that this door-knocking is allowed to happen; I don't
4 feel it should be legal to be approached about
5 buyouts at all; if the tenants wants to, they should
6 make initial contact to the landlord; otherwise,
7 please leave us alone to live peacefully in our
8 homes. By license relocation specialist, bullies
9 such as Janeth Donovan and Anthony Falconite would
10 simply get licensed and continue to harass. Anthony
11 currently has a Cease and Desist Order and he's still
12 harassing tenants, so he obviously feels he's above
13 the law. Plus these relocation sharks get bonuses
14 for kicking out tenants; they'll be just as
15 determined with or without their licenses.

16 To be clear, Croman and other predatory
17 landlords like him are not real landlords; they are
18 speculators and they are criminals and there's no
19 need to pander to their business method. If they
20 don't like who lives in the building, they shouldn't
21 be buying the building. They've already changed the
22 face of New York City for the worse by eroding the
23 diversity of its population, killing small businesses
24 and doing renovations without proper permits, and
25 jeopardizing tenants' health and well-being with

1
2 their own unsafe building practices, sorry, but they
3 are the new Mafia; your only way forward is to have
4 stronger laws, stronger enforcement and higher fines
5 which are actual penalties that are enforced; [bell]
6 therefore this feels like a beginning, but it's
7 obvious that it needs to be flushed out in order for
8 it to really have a positive impact. Thank you.

9 CO-CHAIRPERSON ESPINAL: Thank you.

10 [background comment]

11 DONNA CHIU: Good afternoon. Good
12 afternoon. My name is Donna Chiu and I'm the
13 Director of Housing and Community Services at Asian
14 Americans for Equality, a member of the Stabilizing
15 New York City Coalition that is fighting the
16 depletion of affordable housing in New York City at
17 the hands of predatory equity, thanks to initiative
18 funding from New York City Council last year. So
19 today I'm gonna focus my testimony on a building that
20 my client, Mr. Ang, lives at which is 211 Madison
21 Street; after I briefly describe the building, he's
22 gonna speak, but he's monolingual, a Chinese
23 immigrant, so if you bear with me, I will help him
24 interpret.

1
2 Mr. Ang's building is now owned by
3 Silvershore Properties; they bought the building in
4 November 2014 and Silvershore Properties is a big
5 owner, they own at least five properties in Queens
6 and at least four to five properties in Manhattan.
7 Since purchasing Mr. Ang's building and since the
8 tenants have come to our office at AAFE, I've spoken
9 to at least ten residents who have told me about
10 these "relocation specialists" and I agree with our
11 friends on this panel today that that name is what
12 they call themselves and is too kind; they are
13 predators. So for example, in this one particular
14 owner, Silvershore Properties, he has employed at
15 least three people; they go to the building, they
16 lurk there, they wait for my clients to come home and
17 sort of approach them and tell them false information
18 and they're relentless, and they also go to my
19 client's children's homes, because in their minds
20 they're thinking, you should take care of your
21 parents so your parents can give that apartment back
22 to me, and that is some of the things that my client,
23 Mr. Ang has experienced.

24 [background comment]

25 MR. ANG: 01:13:10 [Speaking Chinese]

1
2 DONNA CHIU: I moved into 211 Madison
3 Street in 1981.

4 MR. ANG: 01:13:21 [Speaking Chinese]

5 DONNA CHIU: When I moved in, I moved in
6 with my wife, my daughter [bell] and my two sons.

7 MR. ANG: 01:13:31 [Speaking Chinese]

8 DONNA CHIU: I raised my children in this
9 apartment.

10 MR. ANG: 01:13:39 [Speaking Chinese]

11 DONNA CHIU: My younger son lives with me
12 and my wife now in the apartment.

13 MR. ANG: 01:13:47 [Speaking Chinese]

14 DONNA CHIU: My son lives with us because
15 he is disabled; he has a mental disability and that
16 is why we take care of him.

17 MR. ANG: 01:14:02 [Speaking Chinese]

18 DONNA CHIU: He is not able to take care
19 of himself and that is why I have to take care of
20 him.

21 MR. ANG: 01:14:11 [Speaking Chinese]

22 DONNA CHIU: After this owner bought our
23 building, he immediately changed the front door
24 locks.

25 MR. ANG: 01:14:23 [Speaking Chinese]

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2 DONNA CHIU: He told us that we had to
3 give him ID to prove we are residents or else he will
4 not give us our keys.

5 MR. ANG: 01:14:39 [Speaking Chinese]

6 DONNA CHIU: I did not know at the time
7 whether or not this was legal.

8 MR. ANG: 01:14:46 [Speaking Chinese]

9 DONNA CHIU: Isn't it true that in New
10 York, if you live at a place for more than 30 days
11 the owner does not have a right to lock you out of
12 your home?

13 MR. ANG: 01:15:01 [Speaking Chinese]

14 DONNA CHIU: Afterwards I learned that he
15 told us to give him our contact and our personal
16 information so that he would have a way to contact
17 use.

18 MR. ANG: 01:15:14 [Speaking Chinese]

19 DONNA CHIU: Starting in mid February,
20 that is when the landlord's agent started harassing
21 us.

22 MR. ANG: 01:15:26 [Speaking Chinese]

23 DONNA CHIU: He kept calling us [bell] a
24 couple of times each week and he said if we do not
25

1
2 give up the apartment he will sue us and that we will
3 lose.

4 CO-CHAIRPERSON ESPINAL: Give me one
5 second; sorry. [background comment] We do have the
6 testimony on hand, for the record; if you wanna get
7 to like the important points, that would be very
8 helpful.

9 DONNA CHIU: Okay. 01:15:51 [Speaking
10 Chinese]... [crosstalk]

11 MR. ANG: 01:15:56 [Speaking Chinese]

12 DONNA CHIU: 01:15:59 [Speaking Chinese]

13 MR. ANG: Okay. 01:16:03 [Speaking
14 Chinese]

15 DONNA CHIU: He came to my apartment, he
16 took pictures, he was measuring my apartment, he was
17 doing all these things in my apartment.

18 MR. ANG: 01:16:19 [Speaking Chinese]

19 DONNA CHIU: He lied to me and they told
20 me, "I'm gonna give you \$16,000; you leave
21 immediately."

22 MR. ANG: 01:16:30 [Speaking Chinese]

23 DONNA CHIU: He said to me that he wants
24 to see my younger son; if not, then he will do
25 something back to my younger son.

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MR. ANG: 01:16:41 [Speaking Chinese]

DONNA CHIU: They also went to my oldest
son's home in Brooklyn and knock on his door...

MR. ANG: 01:16:51 [Speaking Chinese]

DONNA CHIU: and one... [crosstalk]

MR. ANG: 01:16:52 [Speaking Chinese]

DONNA CHIU: and one day they came twice.

MR. ANG: 01:16:57 [Speaking Chinese]

DONNA CHIU: Subsequently, two other
people came to their home in Brooklyn, but then they
did not open the door.

MR. ANG: 01:17:07 [Speaking Chinese]

DONNA CHIU: Then he said, "You have a
home in Brooklyn; why are you still in this
apartment; it's illegal for you to live here; you
need to leave."

MR. ANG: 01:17:24 [Speaking Chinese]

DONNA CHIU: "You take the \$16,000 or you
go to jail; that's it." Okay, good. Thank you.
Thank you... [crosstalk]

MR. ANG: 01:17:37 [Speaking Chinese]

[crosstalk]

DONNA CHIU: So he... So his last comment
is; I'm a good tenant, I've lived here for over 30

1
2 years; why is this happening to me? Thank you.

3 Thank you... [crosstalk]

4 MR. ANG: Okay. Thank you.

5 DONNA CHIU: Thank you.

6 CO-CHAIRPERSON ESPINAL: Thank you,
7 thank... appreciate it. Thank you.

8 CATHY DANG: Good morning, good
9 afternoon. Hi, my name is Cathy Dang; I'm the
10 Director of CAAAV Organizing Asian Communities; we
11 work very closely with AAFE; we're also members of
12 Stabilize NYC, a citywide coalition that takes on
13 predatory landlords.

14 I'm here to express our support for the
15 bills that are being proposed; this has affected our
16 members in Chinatown and I tried to share a recording
17 earlier, but I'll explain it.

18 So we have been organizing in Samy
19 Mahfar's building, or SMA Equities, and Shoreline
20 Properties; both of them use Michel Pimienta's
21 company, the East Tenant Relocation Specialists, to
22 harass and threaten the rent-stabilized, low-income
23 Chinese immigrant tenants. They had a Chinese-
24 speaking tenant relocation specialist named Miss Jiu
25 [sp?], who speaks three different dialects, and would

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2 get commission for every unit they were able to push
3 out; supposedly she was getting \$3000 for every unit
4 that she would get out.

5 At 187 Madison, our tenant leader,
6 Mr. Pao [sp?] was harassed with persistent phone
7 calls and **harrassed** to take a buyout when he
8 adamantly opposed leaving. At 22 Spring we worked
9 with one couple who had lived in the community for
10 seven years and have relationships with the residents
11 in the building who had lived there for 30 years.
12 Miss Jiu and Michel Pimienta called and knocked on
13 the door of Mr. Chang every day; they were
14 threatening to take them to court if they didn't take
15 buyout that was up to \$90,000. They threatened about
16 a lease -- they would offer them a lease just to lure
17 them out of their home to discuss a lease, but really
18 it was just Michel harassing them. So on the
19 recording earlier what had happened with the
20 conversation was; you couldn't tell what was
21 happening, but you could tell Michel Pimienta's tone
22 and he would constantly just yell and yell and yell
23 at Mr. Chang to a point where his wife had a stroke,
24 she had a stroke from the constant threat of eviction
25 and they eventually took the buyout and left because

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2 she couldn't take the stress. And these are the
3 stories that we're seeing day in and day out. We
4 don't have the numbers to record what's been happening on
5 the ground; we don't have any kind of database to
6 keep records, but we know that our stories are valid
7 and just as true as any numbers can show. But the
8 only numbers that I can share is that [bell] we know
9 that the buyout offers have ranged from \$300 to
10 \$120,000. At one of the buildings one of the tenants
11 had to -- he had to come out with a bat to keep
12 Michel Pimienta from coming in or else he would just
13 keep coming in and when that one tenant wasn't home,
14 that's when Michel Pimienta would come in, but
15 otherwise, that tenant had to stand outside with a
16 bat to keep him out of their apartment building.

17 The one number that I do have for you is;
18 in the past year I would say 40-50 residents that
19 we've organized in the last year who were approached
20 by the tenant relocation specialists didn't want any
21 of the buyout offers, even ones up to \$120,000, they
22 didn't want it and they kept forcing it down their
23 throat. So although a landlord is the reason why the
24 rapid displacement is taking place, the tenant
25 relocation specialists help the landlords speed up

1
2 the process and we need more stringent laws to
3 regulate buyout offers and tenant relocation
4 specialists.

5 CO-CHAIRPERSON ESPINAL: Thank you.

6 [background comment]

7 WALTER AZEVEDO: Good afternoon. My name
8 is Walter Azevedo; I live at 321 East 10th Street,
9 Apartment 1W in the East Village; my apartment
10 overlooks Tompkins Square Park. I've been in that
11 apartment for 19 years; when I moved in, that area
12 used to be disgusting; now it's highly desirable and
13 expensive.

14 Steve Croman bought, and Harriet Kahan
15 Croman, his wife, bought our building in 2006; right
16 after they started managing the building, they
17 started asking us, all tenants; at the time we had
18 two elderly rent-controlled tenants; he was able to
19 manage one out; we tried with Adult Protective
20 Services, he had no family; he was taken away to some
21 home; we don't know where he went. The other tenant,
22 rent-controlled, lost her apartment; her son took a
23 buyout and we also got -- he got two people out, two
24 people; one, a couple from -- no primary residence,
25 they used to work in the movie industry and were in

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2 Hollywood; were filming all over the place. My case,
3 starting 2006, he started like very aggressively
4 asking for buyout; I started contemplating a buyout;
5 I just wanted to see how much they would give me;
6 they started with \$10,000; I laughed at their faces.
7 Then they raised it to \$20,000; I laughed at their
8 faces harder. Then they offered me in the end of
9 2007, \$85,000; I knew that was not enough, I love the
10 building, I love where I live, I could never have a
11 two-bedroom apartment paying what I paid; it used to
12 be less than \$1000 at the time, being rent-stabilized
13 and I inherited that apartment through court when my
14 husband died from AIDS back in 2000; the previous
15 landlord took me to court and I proved, even without
16 the [bell] lease on my name, I proved I was a legal
17 successor.

18 After that, Steve Croman and his agents,
19 Christine Bermudez, **Sena Camillo** Catherine (sp?) -- I
20 don't know her last name, starting insisting in the
21 buyouts; I pretended that I wanted to take the
22 \$85,000 buyout; they gave me two contracts; I have a
23 a written contract offered me that buyout and I had
24 like I guess two months to move out and I had to take
25 all the furniture, clean the apartment, paint it

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2 white; it was a lot of stuff for the \$85,000. I went
3 to the office pretending I was gonna sign it; I just
4 wanted to see their reaction; when I said that I
5 changed my mind and I would not sign it, Mr. Steve
6 Croman went berserk on me; he started call me all
7 names, he went on a range himself; he called me
8 names, he would say profanity, racist, vulgar,
9 discriminatory things; you spic, F word many times,
10 stupid piece of S word, who do you think you are, get
11 the F word out of my office he said, no, I am the one
12 who doesn't want to give you, F word, spic ass a
13 buyout. Then he stormed out of the office and his
14 agents are -- and this was in 2008, February or March
15 2008 -- his agents are still [bell] today trying to
16 give me a buyout offer. I just went to Housing Court
17 yesterday for a harassment suit and I got a Cease and
18 Desist against that. Thank you very much.

19 CO-CHAIRPERSON ESPINAL: Thank you.

20 PATRICIA RAMIREZ: 01:24:43 [Spanish]

21 WALTER AZEVEDO: Good afternoon. My name
22 is Patricia Ramirez; I live at 443 East 13th Street,
23 Apartment 2.

24 PATRICIA RAMIREZ: 01:24:58 [Spanish]

1
2 WALTER AZEVEDO: I'm here today because I
3 want to support the new laws; they are really
4 necessary for the tenant relocators.

5 PATRICIA RAMIREZ: **01:25:15 [Spanish]**

6 WALTER AZEVEDO: I want them, the tenant
7 relocators, to have a license, to be licensed by the
8 state if they're to negotiate buyouts of the
9 apartment and that the new owners of my building that
10 are a Goldman Property...

11 PATRICIA RAMIREZ: **01:25:43 [Spanish]**

12 WALTER AZEVEDO: they have been harassing
13 all the tenants in my building..

14 PATRICIA RAMIREZ: **01:25:52 [Spanish]**

15 WALTER AZEVEDO: to sell out their
16 apartments, to get buyouts from their apartments.

17 PATRICIA RAMIREZ: **01:25:59 [Spanish]**

18 WALTER AZEVEDO: There have been more
19 than two private investigators, tenant relocators
20 coming to our building asking everybody if we are
21 illegal in this country.

22 PATRICIA RAMIREZ: **01:26:15 [Spanish]**

23 WALTER AZEVEDO: They also come
24 throughout the night to harass us; they come at one
25

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2 o'clock in the morning or midnight ringing the bell
3 and speaking firmly and loud.

4 PATRICIA RAMIREZ: 01:26:38 [Spanish]

5 [bell]

6 WALTER AZEVEDO: They are talking to us
7 and they are inventing, they're making up stories
8 about us, that in the building there are illegal
9 activities, such as prostitution, drugs and the
10 Mafia.

11 PATRICIA RAMIREZ: 01:27:02 [Spanish]

12 WALTER AZEVEDO: I would also like to
13 point out that there is a lot of children, young
14 children in the building and elderly as well.

15 PATRICIA RAMIREZ: 01:27:20 [Spanish]

16 WALTER AZEVEDO: Also, this past 17th of
17 April they shut off the gas and we don't have any hot
18 water or heat. [bell]

19 PATRICIA RAMIREZ: 01:27:42 [Spanish]

20 WALTER AZEVEDO: They also told us that
21 they are repairing -- there is construction going to
22 be done in the building and it's going to last from
23 six months to 12 months.

24 PATRICIA RAMIREZ: 01:28:01 [Spanish]

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2 WALTER AZEVEDO: They told us that we
3 have to live with all this construction in progress.

4 PATRICIA RAMIREZ: 01:28:11 [Spanish]

5 WALTER AZEVEDO: I also would like to
6 point out that there's some other tenants from my
7 building over here. Would you please stand up?

8 PATRICIA RAMIREZ: 01:28:27 [Spanish]

9 WALTER AZEVEDO: This is all and thank
10 you very much for your attention.

11 CO-CHAIRPERSON ESPINAL: Gracias.

12 PATRICIA RAMIREZ: Gracias.

13 MELLITA GODFREY: Hello. Hi, my name is
14 Mellita Godfrey; I am a member of the Stop Croman
15 Coalition from -- Well I had encounters with a
16 relocater named Anthony Falconite three times coming
17 to my house, intimidating me, telling me that I have
18 cancer; I should stop the litigation; if I'm tired of
19 the legal lawsuits; how much do I want to leave. But
20 what I wanna say is not the relocater; in my case
21 it's my landlord; Steven Croman has a criminal
22 enterprise, he's a real estate/criminal; he has an
23 army of people to harass tenants, starting from his
24 lawyers, where they do frivolous lawsuits so they
25 exhaust you financially, emotionally; the super, the

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2 handymen, they do everything to me, they cut my
3 water, they fake leaks in my bedroom, they take
4 pictures to me, to my kids; they do everything they
5 can, so it is not only the relocators. Mr. Steven
6 Croman personally called me to his office twice to
7 tell me, "I have money; you're not going to win. Why
8 do you wanna live in the West Village; why don't you
9 go live in Fresh Meadow where there's a Latino
10 community? I'm gonna win, I have money." And I'm
11 sorry I didn't listen to him and I spent four years
12 of intense fighting with him, as consequential
13 damage, I lost all my savings, my health, I don't
14 sleep, I fear for my life, I fear when my kid doesn't
15 come home early because I think something is gonna
16 happen to him because I think Falconite kicking my
17 door and threaten me, so this is not about Falconite;
18 it has to stop. We deserve to live [bell] in freedom
19 and peace. I pay my rent, I work seven days, I don't
20 deserve this and please, help us to stop landlords
21 harassing tenants, it's not the relocators, it's the
22 landlord tactic. I wanna thank the Urban Justice
23 that came to my rescue and they're representing me
24 now for free, but I spent over \$150,000, all my
25 savings defending myself from the frivolous lawsuits.

1
2 Unfortunately I have a business and a home and I lose
3 everything with Steven Croman, so this, this has to
4 stop. [crying] I'm **telling you** that I work 15 years
5 because he called me and he told me he can rent my
6 restaurant for \$28,000 and I paid \$12,000 rent; I
7 have Mr. Croman on tapes harassing me and telling me
8 you're not gonna win, so please, I live in New York,
9 I love New York, I contribute to what New York is, my
10 culture, my food, I am a cook, I have a restaurant in
11 the West Village and I'm gonna lose everything and I
12 never stop paying my rent but he had attack four
13 years ago to start evicting me and assaulting [sic]
14 me; I have legal suits coming right and left from
15 Rose and Rose lawyers and all the lawyers opening
16 frivolous lawsuits, so it's not about Falconite that
17 it comes; we stop the relocater, Croman has a theme,
18 his supers, they break my air condition, they put
19 dead rats in my air condition so the air in my
20 apartment is impossible to live. Yesterday an army
21 of the Health Department came saying that we got an
22 anonymous call on my restaurant that's is about to --
23 I'm about to close my restaurant; he file a Order of
24 Show Cause to take the lease; he denied my five-year
25 extension; he called me. So yesterday an army of the

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2 Health Department came, police, invade my restaurant;
3 what happened? Oh we got an anonymous call; this
4 happens every day, that you have a sewer leaking on
5 the floor; come in, I have nothing. But they prevent
6 customers from coming. So please, this goes beyond
7 relocators and Falconite.

8 CO-CHAIRPERSON ESPINAL: Gracias; we hear
9 you. Let's talk after the hearing, talk about your
10 issues... [crosstalk]

11 MELLITA GODFREY: Okay.

12 CO-CHAIRPERSON ESPINAL: you're also
13 facing.

14 MELLITA GODFREY: Okay. Thank you.

15 JULIE PATTON: Hi, my name is Julie
16 Patton; I live at 422 East 9th Street; I just want to
17 say that there are some things you can do; one is,
18 suspend all the buyouts of have buyouts regulated
19 through a specific office; why don't you suspend the
20 ability of the landlords in question to take away
21 their license or ability to do anything until all of
22 these investigations are over? I am in my ninth year
23 of nonstop court; I eat the fruit and the greens off
24 of the leaves of New York City to survive; I live off
25 of oatmeal and beans because my income has been

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2 reduced to less than \$3000 a year; other people have
3 to support me to survive because, simply because in
4 2006, when Steve Croman purchased my building, I said
5 I don't want a buyout; I didn't believe in a buyout
6 because I guess I misunderstood what buyouts were
7 about. I thought that the people who fought to
8 create rent controls, that was part of the public
9 commons, part of the public good; I didn't understand
10 why I had the right to take \$2000 or relocate to a
11 neighborhood where people who look like me live so I
12 would be happy. Calling this tenant relocation is
13 like calling the Gestapo tenant relocators. You all
14 don't have any idea what it's like to find cameras in
15 your home, to go to the city where your family lives
16 and find people sitting outside in cars, to find --
17 it's an uncanny thing that all the people associated
18 with Stop Croman Coalition and GOLES can tell you,
19 that they land on you when you're at your most
20 vulnerable, when you're ill; how do they do that when
21 somebody died; all of these people can tell you, it's
22 not a coincidence because these are the people who
23 are left standing; I'm one of [bell] four people left
24 out of 30, so imagine if they're doing this under the
25 spotlight what they were doing before; this is not

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2 the tip of the iceberg, it's what happened before;
3 you don't know those stories, you don't know the
4 stories of the knocks in the middle of the night
5 where people are taken out; it's much more serious
6 than you all can imagine. I am a descendent of
7 Anthony Crawford, who is one of the most horribly
8 documented lynchings in American history. Congress
9 offered an apology in 2005, they called my family to
10 apologize because legislation -- all of this anti-
11 lynching legislation that Congress attempted to pass,
12 200 of them; they were never passed, so are we
13 waiting for the same thing, for other damage to be
14 done; this is ethnic cleansing; the East Village
15 doesn't look like it, but I'm the only person who
16 looks like me on my entire block and they use the
17 courts as a weapon; Falconite and Croman, they're
18 following me to the court; my mother died March 17th
19 on my birthday; I believe she would be alive if I
20 were able to care for her, but I wasn't because I had
21 30 continuances in a row; you need to look at the
22 courts and the judges; I want someone to look at my
23 case and see the irregularities, because all of the
24 lawyers on both sides getting rich -- \$250,000 in
25 legal bills for an artist who had.. who is working

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2 with Rodney Coltrane -- I used to tour
3 internationally as an avant-garde artist; I don't
4 anymore; I haven't since 2005 because I am in court
5 and I eat the mulberry fruit in and around the city;
6 I wildcraft my greens to stay alive; I am not
7 exaggerating; you all have no idea -- tenant
8 relocation -- this is what they're doing under the
9 spotlight; look at what they did before, look at how
10 everyone left the East Village; are we to pretend
11 that there are no racial -- if a person can be
12 arrested for looses and lose his life, then why can
13 Steve Croman then follow me even with court orders
14 down to the court and badger me; not Janeth Donovan;
15 I want it stopped; I go to court June 16th; I want my
16 whole... the last nine years looked at by someone in
17 authority... [crosstalk]

18 CO-CHAIRPERSON ESPINAL: Excuse me...

19 JULIE PATTON: because funny things are
20 happening everywhere, including the courts.

21 CO-CHAIRPERSON ESPINAL: Thank you so
22 much; appreciate it... [crosstalk]

23 JULIE PATTON: Thank you for listening.
24 I support the legislation, but you all must do more;
25 these are crimes against humanity; you in... in other

1
2 places have things in line to ensure that; look at
3 those laws. [bell]

4 CO-CHAIRPERSON ESPINAL: Thank you.

5 [bell]

6 I heard you mention earlier about DCA
7 and you don't believe that they should be regulated
8 and license because you think it'll create a new
9 industry; can you just talk a little bit about that?

10 DONNA MOSSMAN: Absolutely. Kendra
11 Fidelis worked for BCB; she's the one that came out,
12 talked to all the tenants; we're gonna do repairs for
13 the new tenants first before we start converting the
14 old apartments; she was promoted to Director of
15 Property Management because of what she did -- seven
16 apartments in my building, seven apartments in the
17 next building, 1045 Union Street, she made money off
18 of it and she got a promotion. If you give them a
19 license and tell landlord that they can hire these
20 people to do this, [background comments] they'll be
21 all over the city. You can't give them a license to
22 do this. You hear about the buyouts, but [applause]
23 it is about harassment; living in an apartment that's
24 empty above and next door to me with my heat and hot
25 water, we forced them to get a temporary boiler to

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2 put outside; they cut my telephone wire; they cut my
3 intercom wires; they had to pay for my laundry; it's
4 a form of harassment, and then the buyout says you
5 know what, I know you're tired, you're mama's a
6 senior citizen, take the money; that's the tactic.
7 If you give these people a license, every landlord, I
8 guarantee you, will hire ten of them and we can't
9 allow that, because then it becomes an industry for
10 them. When you hear these stories, you're hearing
11 these stories now; this has been going on for years
12 and we're organizing and we're telling tenants,
13 you've gotta call 311; you have to go to your
14 community boards, and that's why now it's at the
15 forefront, but they've been doing this for years and
16 we've gotta find a way to protect our tenants; the
17 rent laws are gonna expire. What are we supposed to
18 do if everybody woke up tomorrow and had to pay \$2500
19 a month rent? Do you know the city would collapse?
20 Everything is going up but our salaries. The last
21 thing that we have is the rent laws to protect
22 tenants. And you know, I have to applaud Ken
23 Thompson for what he did for bringing that case out
24 of Housing Court into Criminal Court, because that's
25 where it belongs. If I walked into your apartment

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2 and broke your window, you could have me arrested and
3 I think that there should be a unit, like the woman
4 who was here earlier said, calling 311 is good for
5 some things, but for this, you need a unit, you need
6 a task force that you can call and say listen, this
7 guy is here again; this woman is here again, you
8 know, I got another phone call this morning, and
9 that's what we need, we need somebody to come out to
10 see these people in action, because these stories are
11 heartbreaking. I've been videotaped; why? Because
12 I'm active in my community and it's not gonna stop
13 me, because we have to; if we don't fight we will not
14 have a place to live and that's for all of us, and I
15 live in Crown Heights and everybody lives in a
16 different district and we're all having the same
17 issue, and it's up to you guys to protect us.

18 CO-CHAIRPERSON ESPINAL: Thank you.

19 CHAIRPERSON WILLIAMS: I just have a
20 question on that same token. I understand the logic,
21 but isn't it an industry now that's just unregulated?

22 DONNA MOSSMAN: I don't know if it's an
23 industry now, other than, you know, if you own a
24 business and you hire an assistant, and so what the
25 landlord has done is, you know what; here's what I

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2 need you to do; I need you to be the person that goes
3 and offers the buyout; I'm just giving you an
4 assignment is how I look at it. But if you guys have
5 heard stories where this is even more so than what
6 we're talking about, then maybe it is an industry
7 that needs to be regulated, but this is an industry
8 that they created. And then how do we keep track of
9 who's being honest? How do we keep track of that?

10 CATHY DANG: I totally understand where
11 Donna's coming from and I mean I don't know if this
12 is within the hands and the means of City Council,
13 but if we can -- if NYPD takes on petty offenses for
14 jumping turnstiles or dancing in the subway, why
15 can't tenant relocation specialists, what they're
16 doing be criminal? I think that's an alternative way
17 to addressing the issue; it's to making an actual
18 criminal offense. The landlords are criminal.

19 JULIE PATTON: I just wanna say that
20 because they were ordered to cease and desist in the
21 apartments that they have moved into public space
22 where it's not a problem; I don't have a gas stove, a
23 cooking stove; I haven't had one in over a decade and
24 they dress up as firemen, full firemen and come up to
25 the building and break, they've broken, you know,

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2 hatchet at my lock; I come home at one in the morning
3 and this is what I see; they have the police at their
4 fingertips; if you read some of the narratives you
5 will see this, because my tenant force remover, he
6 was a cop and a fireman and he's using all of these
7 tools to do horrible things. And so when I say if
8 you look at my... some of the stories, you can see a
9 different kind of pattern emerging that is... it's like
10 the Mafia; how do you constrain the Mafia, the
11 R.I.C.O. laws; all these things. There are laws to
12 address this. Thank you for listening.

13 MELLITA GODFREY: I think -- I'm sorry,
14 two minutes. I think nobody should have a license to
15 come to your home and harass you. I think if a
16 tenant needs to go, they should have an option to go
17 to the office and say I wanna leave or something, but
18 nobody should have a license to come to your home.
19 Falconite broke my door three times, and talk about
20 my cancer, intimidate my little boy, trying to come
21 in, lying as UPS and if this happened with probably a
22 boyfriend or somebody; I can call the police and get
23 arrested for trespassing, and Falconite is free; the
24 Attorney General give him a cease and desist order
25 and he's still going to houses; what is going on with

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2 Falconite; how can Steven Croman and Falconite can
3 get away with it? This is -- I never heard of
4 anything like this and Falconite -- it's a crime to
5 come to anybody's house and harass like that.

6 SILVANA YAKICH: Just one more thing,
7 since we're on it too; and behaving beyond the law,
8 if one of us gets a parking ticket, eventually they
9 can garnish our wages, they could put us in jail or
10 prison; I don't know what you call it here. Croman
11 hasn't paid many of his city fines since 1990
12 something; we calculated that ECB fines alone he
13 almost owes a million dollars; none of it ever gets
14 collected; why isn't there some sort of collection
15 against his buildings; why can't our rent go to the
16 city; you'd have millions of dollars from these
17 landlords?

18 FEMALE VOICE: I want to say one more
19 thing... [interpose]

20 CHAIRPERSON WILLIAMS: I think this
21 gentleman's been waiting..

22 FEMALE VOICE: Oh okay.

23 CHAIRPERSON WILLIAMS: But I would say
24 that they don't have debtors prison, so if you don't
25 pay a parking ticket you don't go to jail; they would

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2 take other -- they may take some other property, the
3 car, take away your ability to drive, but they...

4 [interpose]

5 SILVANA YAKICH: They don't take anything
6 off the landlord.

7 CHAIRPERSON WILLIAMS: Yes, I agree.

8 WALTER AZEVEDO: Council Member Williams,
9 I agree with totally; it is already an industry that
10 is not regulated. I am in favor of the bills to
11 regulate it; in our case; in my case, a Steven
12 Croman-owned building, he is hiring -- I don't have a
13 building manager; as of last year, August 2014, he
14 has hired a tenant location; I cannot contact her;
15 she's always out of the office; I never could
16 understand that. By listening here today I now
17 realize that's why there's no services; I have a huge
18 leak on my bathroom ceiling; my bathroom ceiling's
19 caving in, it's falling, it's rotted; it's active,
20 it's been active for three weeks now; water's pouring
21 down; a wall is buckling in; all the tiles are
22 falling off; there's black mold. I'm allergic; I
23 have asthma and you're right, it is an industry
24 already; it should be regulated with one provision,
25 one opt-out provision, they will approach tenants and

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2 they would say, no, everything in written form; no, I
3 do not want to be bothered with it ever, and then you
4 send it over, return receipt, of course, to the
5 landlord and everything is taken care of. The tenant
6 is safe, is protected and the landlord knows he
7 should not ask that tenant or harass that tenant for
8 any buyouts anymore. Thank you very much.

9 JULIE PATTON: I just wanna say something
10 about immigrants; it's very painful to live in a
11 building where for years it was principally the
12 Polish community; I had a great landlord, and you
13 assumed that people can articulate or understand any
14 of these things; the Polish woman whose -- the Polish
15 people in my building came here on the heels of the
16 Nazi, KGB persecutions and they are shocked in their
17 70s and 80s to find they are undergoing -- and they
18 say this, the exact same thing that they went under
19 before, people following you; it's very frightening
20 to come home -- that's why I have to have -- people
21 have to have roommates and people have to walk me to
22 my door and up the steps because it's created an
23 entire hostile environment, not to mention living
24 with the new people in town who then see people who
25 don't look like they should be living in the

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2 neighborhood and you get harassment for them, people
3 coming, who yell -- 20-something, you know, NYU
4 students ask me how did I get in the building or
5 where do I live. It's an eco system.

6 CHAIRPERSON WILLIAMS: Thank you. Thank
7 you all for the testimony; appreciate it. I don't
8 know if you have anything else. So we'll have to get
9 to the next panel 'cause we have to be out of here by
10 one, so thank you so much... [background comment] for
11 your testimony. [background comments]

12 CO-CHAIRPERSON ESPINAL: I'd like to call
13 up the final panel. We have Patricia Ramirez, Donna
14 Chiu and Ki Wing [sp?], Roland Guzman, Brandon
15 Kielbasa and Shawn Dahl.

16 [pause]

17 BRANDON KIELBASA: Great. Hello
18 everyone. Hi, I'm Brandon Kielbasa, the Director of
19 Organizing at the Cooper Square Committee. The
20 Cooper Square Committee is a tenant's rights
21 organization in the Lower East Side; we're a proud
22 member of Stabilizing NYC and also in the Stand for
23 Tenant Safety Coalition which is calling for
24 comprehensive reform of the Department of Buildings.

1
2 I'm very happy to be here today to show
3 support for these bills which will help regulate the
4 way landlords are able solicit buyouts to tenants.
5 The use of tenant relocation specialists is not
6 uncommon in the neighborhood I work in; they are
7 frequently employed by the most aggressive
8 speculative landlords in the Lower East Side. Two of
9 these relocation specialists, Michel Pimienta, who
10 worked extensive for SMA Equities, and Anthony
11 Falconite, who works for 9300 Realty, recently gained
12 notoriety from the investigations of the New York
13 State Attorney General. These two relocation
14 specialists very much represent the unscrupulous
15 behavior that we need to help protect tenants from
16 with these new laws.

17 One insidious combination of harassment
18 tactics we see speculators use in the Lower East Side
19 is to allow construction to rage out of control in
20 buildings that they are renovating and then send in
21 the tenant relocators to offer buyouts to tenants
22 while the work is bearing down on them. We also see
23 these same speculators use this tactic in a similar
24 but preemptive way, by sending in relocation
25 specialists just prior to construction; these

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2 relocation specialists use the fear of looming
3 construction to intimidate tenants, telling them that
4 the building is gonna be unbearable to live in, full
5 of construction, dust and debris; that you should
6 just consider your options and think long and hard
7 about taking a buyout.

8 Overall it's been my experience that
9 relocation specialists are always involved in any
10 full-scale clearing out of rent-regulated tenants;
11 they make the difference between buildings have 10-20
12 percent of the tenants cleared out by a new owner
13 versus 50-100 percent. Relocation specialists
14 aggressively target tenants with the most affordable
15 rents; these tenants are almost always low- to
16 moderate-income community members; many of them
17 people of color who are working very hard to hold
18 onto their apartments in heavily gentrifying
19 communities. These are tenants faced with extreme
20 displacement pressure [bell]; it's in this context
21 that these relocation specialists work and actually
22 make their job to do whatever it takes to remove them
23 from their homes.

24 In closing, it's worth noting that
25 stronger tenants' rights laws that combat tenant

1 harassment ultimately work to preserve affordable
2 housing and good laws like these will actually
3 bolster the Mayor's Affordable Housing Plan, because
4 developing new affordable housing will be of very
5 limited value if we continue to hemorrhage affordable
6 housing at the astronomical rates we are doing so now
7 in part due to the relentless and unscrupulous
8 efforts of these tenant relocation specialists.

9 Thank you.

10
11 SHAWN DAHL: Hi, my name is Shawn Dahl
12 and I am a rent-stabilized tenant in an East Village
13 building purchased by a predatory equity landlord,
14 Steve Croman's 9300 Realty in late 2012.

15 In September 2013, I was confronted by
16 security officer Anthony Falconite, who accosted me
17 with allegations about my tenancy while blocking the
18 door of my apartment's basement space; he refused to
19 leave; the property manager, Janeth Donovan arrived
20 shortly after; he and Ms. Donovan made untrue
21 statements clearly to cause me distress, including
22 that they had the right to enter my space at any time
23 without any notice; he even accused me of having a
24 meth lab. His aggressive and intimidating actions

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2 left me nearly in tears and I have continued to fear
3 that he or someone will invade my personal space.

4 Regarding unscrupulous buyout offers, in
5 April 2013 I felt I was forced to pay a lawyer to
6 send Ms. Donovan a letter telling her to not offer me
7 anymore buyouts or coerce my ex and former co-tenant,
8 Molly into signing papers to effectively evict me.

9 This letter was sent because Ms. Donovan and
10 Mr. Falconite approached Molly after I had told
11 Ms. Donovan that she had moved out to see if she
12 would be willing to take a buyout behind my back.

13 Another time was in December 2014, merely
14 a few weeks after a catastrophic ceiling collapse and
15 sewage backup had occurred due to demolition work in
16 the apartment above mine. Ms. Donovan proceeded to
17 tell me that she was sorry about my ceiling and she
18 had a real buyout offer for me this time. It was
19 incredulous that she would link the damage to my
20 place with a buyout offer.

21 Thanks to help from Cooper Square
22 Committee and Stabilizing NYC, I have been able to
23 withstand the pressure from my landlord and his
24 unscrupulous agents. I support this legislation and
25

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2 believe it will [bell] prevent others from having to
3 enter similar harassment. Thank you for your time.

4 ROLANDO GUZMAN: Hi, good afternoon. My
5 name is Rolando Guzman; I'm a community organizer
6 with St. Nicks Alliance in North Brooklyn; I'm here
7 testifying on behalf of St. Nicks Alliance and also
8 on behalf of Stabilize NYC and the Stand for Tenant
9 Safety Coalition.

10 St. Nicks is a housing organization; we
11 provide housing services and organizing to over 900
12 tenants in North Brooklyn every year. We are here
13 because -- first of all, we wanna thank you for the
14 introduction of these three pieces of legislation;
15 it's something that is gonna be very helpful in North
16 Brooklyn.

17 I just wanna talk briefly about three
18 examples of how important this legislation will be in
19 North Brooklyn.

20 The first one is 300 Nassau Avenue; you
21 guys might know this building sounds familiar; it was
22 in the news recently, actually two weeks ago when the
23 Kings County DA announced that the arrest of the
24 Israel brothers, that they were accused for
25 destroying buildings in Norht Brooklyn.

1
2 The pattern in those buildings was that
3 before all the harassment escalated, the landlord
4 will start knocking on people's door really late
5 hours of night offering buyouts and there was not a
6 clear line, apparently, when tenants will say no, I
7 don't want a buyout and he will be insisting,
8 insisting, insisting. The patter that we saw is that
9 after the buyouts, the landlord started using
10 construction as a harassment, destroying vacant
11 apartments or making tanants' lives miserable, like
12 the person that just testified.

13 Another case is 105-115 Greenpoint Avenue
14 where a large predatory equity bought these buildings
15 and right after they bought it they started doing
16 this aggressive campaign of buyouts and they were
17 able to empty out almost 50 percent of the whole
18 building. Weeks after that they started doing a very
19 aggressive gut rehab in the whole building. The
20 tenants remaining in the building were complaining
21 about shaking, [bell] noise, dust and every time that
22 they would contact the managing agent, the response
23 of the managing agent will be, when can you take a
24 buyout to move out? This is a legislation that is
25 going to help throughout New York City to preserve

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2 affordable housing, to provide more assurance to
3 tenants that they have more rights and that we're
4 here to support them. Thank you very much.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much for your testimony and sharing your stories and
7 supporting the bills; I really appreciate it. Thank
8 you.

9 That's all that we have signed up to
10 testify; having heard everyone, we can now close the
11 hearing. I wanna thank my colleague and Co-Chair,
12 Council Member Espinal. Do you have any closing
13 remarks?

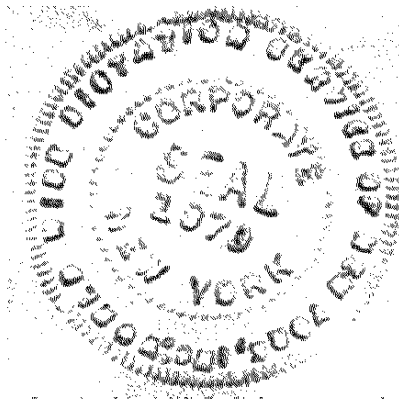
14 So the hearing is now adjourned. Thank
15 you.

16 [gavel]

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C E R T I F I C A T E

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



Date May 11, 2015