

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS
JOINTLY WITH COMMITTEE ON CONTRACTS

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

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COMMITTEE ON HOUSING AND BUILDINGS JOINTLY

WITH COMMITTEE ON CONTRACTS

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

DHANRAJ SINGH, New York City Department
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Assistant Commissioner, Agency MWBE
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COMMITTEE ON HOUSING AND BUILDINGS JOINTLY
WITH COMMITTEE ON CONTRACTS

JOHANNA CASTRO: Sakeem, we're live.

SGT. BRADLEY: We're live. Sergeants
will you begin your recordings?

SGT. HOPE: According to the computer
started. Stream looks good.

SGT. BRADLEY: Thank you. Cloud is up.
Okay great. Good morning and welcome to today's New
York City Council Hearing on housing and buildings
jointly with contracts. Please, will everybody
attending, could you, could you please turn on your
videos. To limit disruptions, could you please place
electronic devices on vibrate or silent mode. If you
want to submit testimony you may do so at
testimony@council.NYC.gov, again that is
testimony@council.NYC.gov. Thank you for all your
cooperation, Chairs, we may begin.

CHAIRPERSON ROBERT CORNEGY: Good morning
evening. Council Member Robert Cornegy, Chair of the
Committee on Housing and Buildings. Thank you all
for joining this joint hearing with the Committee on
Contracts chaired by my friend, Council Member
Benjamin Kallos. I'd like to thank my Co-Chair for
holding this important hearing with me. Today the
Committees are holding a hearing on the status of

minority and women owned business enterprises and their participation in the development of affordable housing in New York City. It is common knowledge that there is consistent need for more affordable housing in this City in order to better meet the need of some of the City's most vulnerable population. But the need for greater equity in affordable housing isn't limited to who has access to that house, is also concerned, it also concerns how that affordable housing is developed and who gets to participate in development, how the development is with many industries, it's still a nearly exclusively white industry. Like developers face particular hurdles, accessing capital, networking opportunities and other valuable resources. HPD has a number of programs and initiatives to address the disparities in the world of affordable housing including professional development, inclusion programs, loans and the MWBEs focus RFP, RFP. Despite these programs, HPD appears to be falling much short of the goals to increase minority representation and participation in affording housing development, especially with black and brown development. Each year, the City Comptroller publishes a report issuing letter grades

to City Agencies on their success in spending on MWBEs. This year, HPD was rated a D, it's lowest rate since 2014. Today, the Committee expects to receive answers from HPD on the effort to improve MWBE participation in affordable housing development. Something is clearly not going right and we want to know what it is and how to fix it. I'm personally interested to know why HPD is particularly failing with black and brown and women owned businesses. As I mentioned, affordable housing is meant to serve the City's most vulnerable populations. Those with the lowest incomes which too often are black and brown natives. There's something wrong when the providers of that housing are all almost exclusively white. I'd like to thank my fellow Committee members that will hear, read from Committee Counsel. Please John if you could tell me who's in the room? I can see obviously Ben Kallos, Carlina Rivera, uh, Council Member Farah Louis, am I missing someone?

JOHN, COMMITTEE COUNSEL: Uh, Council Member Brooks-Powers is here as well, Chair.

CHAIRPERSON ROBERT CORNEGY: Good morning, Council Member Brooks-Powers. Uh, Council Member Cabrera has also joined us this morning.

Thank you. I'll now turn it over to our Co-Chair for his opening remarks.

CHAIRPERSON BEN KALLOS: Thank you Chair Robert Cornegy for your service over the past eight years and the City Council. I've been proud to work with you, I'm calling attention to the buse of third-party transfer in your role as Housing and Buildings Chair, our shared oversights over the City's MWBE program and fighting for our public schools as graduates of our New York City public schools ourselves not to mention as proud parents are public school students. Okay. We even dress alike. Even though I question whether you are a real Otaku and your never accepted my challenge for Basketball with Ben which I believe was entirely out of a very reasonable fear of being decimated by me and my staff, I'm proud to call you a colleague and friend. I'd also like to take a moment to thank the tremendous work done by the Contracts Committee Staff in preparation for this hearing and indeed for the entire legislative session, Legislative Counsel Alex Palna, Policy Analyst Leah Scripiac who was actually promoted to Counsel on a different hearing she was currently moderating, I'm kidding about the Counsel

part, uh, Finance Unit, head John Russell has actually been working with me over the past eight years including when I was on Gababs as well as our former Policy Analysis Cassie Addison who is now with Jumane Williams and Former Finance Analysis, Andrew Wilberg, Peter Butler and Frank Sarno. And also I'd like to thank my Legislative team, my Counsel Alfredo Lopez, Adam Bermudas who's come in and filled in as our Legislative Director, my Chief of Staff, Jessie Talleson for all their efforts throughout this Council. I am Ben Kallos and I have the privilege of Chairing the Contracts Committee. I'd like to thank all the members of both committees, the Administration and the MWBE Affordable Housing Development Committee for coming together to hold this virtual hearing. For those of you who are watching via the live stream, you can feel free to participate in this hearing by Tweeting me at Ben Kallos and Chair Robert Cornegy at Rob, what is your Twitter handle?

CHAIRPERSON ROBERT CORNEGY: RC or BK at Twitter.

CHAIRPERSON BEN KALLOS: Great. This hearing marks the final opportunity for these two

Committees will have this session to hear about challenges facing Minority and Women Owned Businesses Community and particularly experience that MWBE developers have in getting awarded City and construction contracts for Affordable Housing. As Chair Cornegy mentioned, HPD offers several different programs to run MWBEs for its construction products especially for Affordable Housing. Whether it's the Extreme Low and Low Income Affordable Program, ELLIA, the Neighborhood Cooperative Program and CP, multi-family housing rehabilitation loan program or one of the city's various tax incentives for Affordable Housing Development such as Article XI. There are plenty of grants or low interest loan programs or tax abatement programs designed to spur additional affordable housing in the City. Uh, some of these subsidies can come out to millions. Uh, usually somewhere around several hundred thousand per unit but I've seen them get pretty high. Uh, HPDs MWBE build up program promotes MWBE contracts and city development projects and HPDs several new restrictions on affordable housing developers such as restricting responses to RPs for city-owned affordable housing sites, the MWBE or the equitable

ownership requirement institute the last year all steps in the right direction. However, the case remains the MWBE contractors are woefully underutilized when getting awarded City contracts and the City's Comptrollers making the great report from the past October, HPD was granted an overall D rating in and achieving its MWBE targets during Fiscal Year 2021 down from much more respectable B grade the year before while HPD did reach or exceed its target in some areas, it outright failed in other areas such as awarding a mere 1.26 percent of it's MWBE target for construction contracts to black owned firms. A mark that totals just shy of \$28,000 for the entering Fiscal Year. That's just insulting. Now, I didn't need the report to know that, as the HPD may remember, I started out this session with a little known Land Use Subcommittee on Planning Dispositions and Concessions. As you may have read in Politico and as HPD definitely remembers, I used these hearings to hold courtroom dramas as they pressed HPD and developers and projects, particularly on subsidies, hire requirements, the, uh, racial and gender makeups of the construction companies that were doing the work, particularly their executives

and of course their MWBE fulfillment. Uh, leading into this hearing I'm going to ask one big question. Um, and I may actually have to step out but the big question I'll have for HPD is during each hearing, I would often press developers to tell us who the MWBE firms would be on the projects. And so, I'd like to ask and I want this answer during the hearing, um, so you have time to get it right now. Of the developers who had an MWBE partner, when they came before the Planning Disposition Concessions Committee, how many of those developers ended up meeting their MWBE goal? And the second question would be, for all the developers who showed up at the committee to get Article XI and, and millions in Tax Abatements and other benefits, of we said, oh, we'll meet our MWBE requirements later how many of them actually made it. And as a big question, why can't we require every affordable housing developer as part of their RFP to come to HPD and to the Council with the MWBE firms and part of their packet. Um, with that, I'll turn it over to our moderate, Committee Counsel, Alex Polinof to go over some of the procedural items.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Chair, uh as the Chair mentioned, I'm Alex

Polinof Counsel to the City's Council's Committee on Contracts. Before we begin, I would like to remind everyone that you will be on mute until you are called upon to testify, at which point you will be unmuted by our host. During the hearing, if Council Members would like to ask a question, please use the Zoom Raise Hand Function and we will call on you in order. We will be limiting Council Member questions to five minutes including responses to those questions. We will first be hearing testimony from the administration which will be followed by Council Member questions. This will then be followed by testimony from members of the public. Today, the Department of Housing Preservation and Developments Assistant Commissioner and Agency MWBE officer, Dhanraj Singh will be testifying. I will now administer the oath. After administering the oath, I will call on you to affirm it for the record. So, Mr. Singh, please raise your right hand. Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions?

DHANRAJ SINGH: I do.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you. You may begin when ready.

CHAIRPERSON BEN KALLOS: Um, beforehand I just want to make sure we, uh, acknowledge Council Member Brooks-Powers and Council Member Rivera. You now may begin.

DHANRAJ SINGH: All right. Good morning Chairs Cornegy and Kallos and members of the Committee on Housing and Buildings and Contracts. My name is Dhanraj Singh and I am the Assistant Commissioner of Economic Opportunity and Regulatory Compliance. I also serve as the agency, MWBE officer and the New York City Department of Housing Preservation and Development. Thank you first for the opportunity to testify on the agency's effort to grow the number of MWBE firms driving our City's Affordable Housing efforts, to strengthen their capacity and also to improve their competitiveness. As all of you know too well, New York City faces a long-standing housing crisis that has been made all the more urgent in the wake of COVID-19. As the City works to rebuild from the pandemic, the HPD is looking hard at the devastating health and economic impacts as well as the deeply embedded racial and

economic inequities laid there by COVID-19. We know that safe, quality and affordable housing is critical for the health and stability of our residents and the prosperity of neighborhoods in which they live and we are more focused than ever on what we can do to ensure an equitable recovery for all New Yorkers. Since Mayor de Blasio launched the Housing New York Plan in 2014, New York City has accelerated the construction and preservation of affordable homes, housing to levels not seen in 30 years. We inherited an impressive public, private, production machine capable of building and preserving approximately 15,000 affordable homes per year. Over the last 8 years with new funding and tools, the City increased that capacity to finance the creation or preservation of 25,000 affordable homes per year, a rate the city has never achieved before to fulfill the Mayor's goal of financing the creation and preservation of 300,000 affordable homes by 2026. Throughout the pandemic, HPD and our partners at the New York City Housing Development Corporation continue to push forward our affordable housing production with a sharpened focus on the most vulnerable New Yorkers and on achieving greater racial equity and inclusion thanks

to the leadership of Chair Cornegy and all our partners on the New York City Council. The tireless efforts by our HPD team, our partner agencies and many others, we have financed more than 195,000 affordable homes and apartments as of June 2021 in every borough and in every single community district. To accelerate and sustain this increased level of housing production, the administration has also sought to expand the capacity of the affordable housing industry and at the same time to make it more diverse and inclusive. This work requires strong partners who reflect the diversity of the City's many neighborhoods and MWBEs and nonprofits often have deep roots in these communities. HPD is therefore deeply committed to promoting the participation of minority and women owned business enterprises as well as the not for profit community development operations that have played an important role in the City's neighborhoods over the past decades in the development and management of affordable housing subsidized on the City sponsored programs. In 2014, we launched the building opportunity program featuring a capacity building course designed for MWBEs and nonprofit developers seeking opportunities

and exposure to best practices in affordable housing development. The course exposes participants to affordable housing development and finance, asset and property management and how to position their businesses for effective joint ventures and public private partnerships. Since 2014, HPD has hosted five classes of participants totaling more than 110 firms served. We created the MWBE buildup program specifically to increase contracting opportunities for 35 MWBEs in HPD, HDC subsidized affordable housing projects. This program requires developers and borrowers to spend at least 1/4 of HPD, HDC subsidy on certified MWBEs over the course of design and construction of projects where HPD, HDC contributes \$2 million or more in subsidy. Since its launch in 2017, the program has delivered more than \$1.1 billion on goal spending toward MWBEs across 239 projects and through the HPD build out program, HPD has been aiding its development partners in identifying potential contractors or professional service providers for work on affordable housing projects. It also hosts a seminar series on a range of topics to create a better understanding of the project development cycle with the goal of increasing

contractors' project readiness and capacity. To address the disparity in MWBEs developers' participation, HPD champion state legislation that now permits the agency to take additional steps to encourage MWBEs participation in the affordable housing development market. The legislation enabled the creation of a competitive prequalified list of MWBE developers and the dedicated pipeline of city owned sites that were included in the first ever MWBE building opportunity RFB in 2015. In 2017, HPD announced the designation of six teams, most of which participated in the agency's building opportunity initiative to develop 600 affordable homes on vacant city-owned sites in Brooklyn, the Bronx and Manhattan. Proposals included a mix of supportive housing and senior housing, a local farm and fresh food services, a high school leadership academy, an LGBT Community Center and a Tech Incubator. Four of these six projects have now closed. Separately 25 percent of all RFPs awarded on public sites have had MWBE involvement. In April of this year, we issued a second RFP exclusively for MWBE developers to transform two city-owned sites in Prospect Heights Brooklyn into affordable housing. The two completely

affordable housing projects will create approximately 108 new affordable homes mainly serving low income families with one site dedicated to homeless seniors as part of the City's Senior First Initiative. To further increase the financial and ownership stake of MWBEs and not for profits in affordable housing work in 2020, HPD introduced a new equitability ownership rule requiring an MWBE or nonprofit partner holds a minimum of 25 percent ownership stake in any affordable housing projects awarded on public land. We also repositioned the New York City Acquisition Fund to exclusively finance projects left by MWBEs or nonprofits with at least a 51 percent ownership stake. This \$200 million public private affordable housing loan fund has offered flexible bridge loans to affordable housing developers to acquire vacant sites and occupied buildings and finance pre-development work since its establishment in 2006. The recent repositioning now helps reduce one of the key areas for MWBEs and nonprofit developers which is access to capital. As the city continues to produce affordable housing at a record pace, there is a growing demand for qualified marketing agents that can advertise and lease affordable homes. In

response, HPD partnered with Goldwin Sachs, List New York City and Enterprise Community partners to introduce the pathways to opportunity program. It's a new training and certification program to build a capacity of marketing agents. The first phase of the initiative was designed to increase the supply of MWBEs and not for profits who are qualified to serve as marketing agents by preparing them to apply for HPD recently released qualified marketing agent RFQ. HPD has provided free training to roughly 32 MWBE funds and nonprofits to date. This training and certification allows MWBEs to be more competitive in breaking into the growing marketing agent industry for housing lotteries. The second phase of the Pathways to Opportunity seeks to create affordable housing, marketing, career pathways for low-wealth New Yorkers, particularly those currently living in affordable housing through a workforce development program. The program is geared toward granting access to employment in marketing, affordable housing and LYCHA compliance. The competitive requests for proposal was recently issued in partnership with enterprise to identify a workforce provider to refine and implement the new housing Career Pathway

Initiative. Now, our efforts to create opportunities and promote the use of New York City Certified MWBEs on our development projects are only half the story. The agency undertakes considerable effort to promote the use of MWBEs on our procurement opportunities. Since 2017, the agency has procured more than \$66 million in goods and services from MWBE vendors. In Fiscal Year 2021 alone despite COVID 19 the agency recorded its highest procurement spendings of more than \$18 million on MWBE vendors. A testament to our commitment to the success of New York City MWBEs. These spendings no doubt provide critical resources to our MWBEs to ensure they not only recover but bounce forward in the post-COVID 19 economy. To address disparities once again in utilization, the agency has and continues to take numerous measures including targeted outreach, capacity building and training, technical support and systematic reviews of internal processes to ensure more equitable utilization. There is no question that housing production is an economic engine that supports countless businesses and all New Yorkers would have an equal opportunity to participate. HPD welcomes feedback and ideas as we continue to advance these

and other initiatives to help increase the number and expand the capacity of the MWBEs rising city affordable housing efforts. In closing, I want to thank you for the opportunity to testify today. I look forward to our continued partnership as we seeks ways to help New Yorkers pull through and get to the other side of this crisis as we work toward a more affordable and equitable city. And with that, we will now take your questions.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Assistant Commissioner Singh, we will now turn to questions from the Chairs. Chairs, as a reminder you will be in charge of muting and unmuting yourself during this question and answer period. Uh, Chair Kallos, you may begin.

CHAIRPERSON BEN KALLOS: I want to thank Chair Cornegy for indulging me. I have a, that could not be rescheduled. I want to start by acknowledging Council Member Rosenthal, Council Member Barron, Council Member Gjonaj and Council Member Grodenchik. Uh, I would like to get the answers to the three questions that I asked. So, when I was Chair of Planning Dispositions and Concessions I pressed developers to ask about their MWBE commitments up

front. How many of the developers that had MWBE partners actually developed the projects with those MWBE partners and met or exceeded their goals?

DHANRAJ SINGH: Am I on mute, okay? Thank you Council Member for that question. The breakdown of, of that question unfortunately, I do not have the data with me at the moment. Um, I would have to defer to responding to your office at a later day. What I can say however is that for all of our development projects that requires MWBE participation, we have a very rigorous compliance process in place to ensure that we're not waiting until the end of a project completed but before hand from the beginning, from the time a contract is closed and it goes through the implementation process, we monitor these projects very closely to ensure that they're meeting their participation goals that is assigned to that project.

CHAIRPERSON BEN KALLOS: So let me say the question, are you aware of anyone who lied under oath before my committee who had an MWBE partner that then for whatever reason chose not to meet their MWBE goals, even though they had a partner in hand?

DHANRAJ SINGH: Thanks for that clarification as I sit here before the committee, I do not know of, of any such situation.

CHAIRPERSON BEN KALLOS: That's, that's what I figured. So, let's, let's just guess that we're probably at 90 or 100 percent for those projects. No, for the other projects and so let's just call it half or more of the projects that didn't have an MWBE partner at the time that they were seeking their Article XI and other tax abatements from the City Council who still didn't have an MWBE partner leading up to the closing. Uh, do you know if every single one of them met their MWBE requirements because the Comptroller's report would indicate that?

DHANRAJ SINGH: Councilman thanks again for clarifying. Um, like I said I'm not aware of an incident, uh, at this moment where the contractor has not on any given project has not reached a goal. What I can say is that currently we are looking at those details and combing through the data, um, so I suspect in a matter of not too long into the future we'll have that details and those breakdown of that we can better appraise the question.

CHAIRPERSON BEN KALLOS: I, I love the fact that you keep saying data, that, uh, that makes me happy. Some people say data some people say data that's fine unless Star Trek it's a problem. Um, is the HPD, uh data that is on the open data portal, is that something that can be relied upon? Is that true and accurate information that you're putting out on open data?

DHANRAJ SINGH: And Councilman can you repeat the question please?

CHAIRPERSON BEN KALLOS: Is the data that HPD is putting out on open data something that is true, accurate and can be relied upon?

DHANRAJ SINGH: I, my, my direct response to that is that I would not see a reason at this present moment why that would not be the case, however, the fact that it . . . The specific data in question maybe something that I have to take a look at before responding more precisely to it.

CHAIRPERSON BEN KALLOS: It's, it's a very literally question, it's a question we ask before we introduce evidence. It's just an old habit. Um, in your testimony you said since its launch in 2017, the program has delivered more than

\$1.1 billion in goal spending toward MWBEs across 239 projects. 239 projects sounds like a lot but when I go to HPDs open data, uh, platform where I look at housing New York units by projects and I filter to 2017, forward so, uh, that's 1,744 projects and, uh, 239, uh, projects out of the number, just, uh, that's about 13 percent of the projects had an MWBE, uh, and that just seems like it's, it's not even close at all, that it's, the number is closer to 1800 so 1/3 of that would be 600 projects and you're down at 239, I don't know if that's something to be proud of. Do you know why there were MWBE participation in the, uh, other 1500 or so projects?

DHANRAJ SINGH: So, thank again for your question Councilman. Again, the precise numbers that you, that you are referencing, I would have to take a look at that and do some reconciliation to see, what, how that relates to the numbers that I'm looking at. Um, but the numbers that I'm looking at and like I said I have no reason to disbelieve the numbers. I have to basically look at them to see whether they are reporting on the same thing and if there is some mix-up with, with terminologies that is, that is used, but the, the numbers that I am looking at shows

that the total number of projects from 2017 and again this could be depending on how they are counting the number of projects is 239, um, with a total MWBE goal commitment spendings of \$1.1 billion and to date we have already recorded over \$1 billion endorsed commitment spendings.

CHAIRPERSON BEN KALLOS: And, and do you have a count of the total number of projects, since, uh, 2017 or just the MWBE related?

DHANRAJ SINGH: So this is just the MWBE related that I, that I have in front of me.

CHAIRPERSON BEN KALLOS: OK. So anyone who is interested in following along online, just go to HPDs website, click about, go to metrics and open data and under Housing Development, Housing New York by projects, click that and it'll open up the open data set which shows a total of 2,817 projects since 2014, 1744. I would just say that HPD is woefully deficient and that part of the problem is projects aren't being required to meet with MWBE requirements at the outset, um, so I guess last question before I turn it back to the chair for him to run the remainder of the hearing.

CHAIRPERSON ROBERT CORNEGY: Before you go I, I'll piggyback off of your question and ask to drill down a little bit deeper, um, Commissioner Singh with how many of those 200 or so MWBE contracts are prime? Because that's also a really serious issue that we're having at MWBE, the people that represent MWBE, I'm curious as to how many of that number which, which our data google, uh ban has adequately pointed out the discrepancies between the numbers, I, I need to know actually in that, uh, very small number how many of those are primes, so while you're doing your research and getting back to us please get back to us on how many of those are also prime contracts. Sorry Ben.

CHAIRPERSON BEN KALLOS: Uh, you don't have to apologize. Like, amazing question and I think that is the heart of this hearing. Uh, so I guess my, my final question is, is there a reason why HPD can't require that any applicant whether it is a prime developer being an MWBE or a non-MWBE developer actually lists the names of the MWBE subs on their contract as part of their RFD application and if not included then deem it incomplete.

DHANRAJ SINGH: Thank you Chair Councilman for that question, and, and the specific response to your question would be something that is outside of my, of my scope of responsibilities but again I am happy to take the question and to follow up with you with a response at a later time.

CHAIRPERSON BEN KALLOS: If you can provide it to both of us as chairs after the hearing and I'm certain there will be others. Um, I want to apologize for having to step out of this important hearing. I leave this in capable hands with our Housing and Buildings Chair and thank you Rob for everything. Turn it over now.

CHAIRPERSON ROBERT CORNEGY: I'll talk to you soon Ben. I'm going to ask a few questions and then, um, I see that we've also been joined by Council Member Chin, also Council Member Gjonaj is joining us by phone and I know that there are several questions that my colleagues have and since I'm being stayed for the entirety of the hearing I'd like to give them an opportunity. But one of the questions that I, you know, I kind of want to ask up front is you know, basically the federal government has guaranteed to us that we will be, uh, getting, you

know, hold on one second team, has been given, they're letting us know that they'll be billions of dollars spent on infrastructure over the next coming decade and the MWBE representation in those contracts is incredibly important. And I'm very concerned that we can't get it right here, now, post-pandemic when this, uh, the influx of federal dollars come, come down and we're not going to be conditioned correctly and so the, the woefully underrepresentation in this last cycle sets off a ton of bells and, and whistles for me knowing that the federal government has made this commitment to infrastructure building, knowing that more millionaires will be made in the city of New York over the next, you know, decade than any time in the city's history and for being so under represented MWBE wise I'm just curious as to what the HPD thinks about that and how we got to this place where the numbers are down so much from the last reporting year?

DHANRAJ SINGH: Councilman thank you for your question and just to, just to clarify the last part of the question when you said the numbers are down, you're referring to the, the numbers that you mentioned or are you relating to the, uh,

Comptroller's report? Just to clarify the numbers that you're talking about?

CHAIRPERSON ROBERT CORNEGY: I'm sorry, yes, the Comptroller's report which details that, uh, I don't have the percentages in front of me but we are down considerably from the fo-, the previous reporting year. And, obviously I'm going to factor in, um, the pandemic and the whole of some development. But, I'm, I'm not going to leave it there like I want you to explain something quite frankly, uh, how we are down so much on a very lotable goal of MWBE participation. And I'm shocked and horrified, I'm on my way out but this is still a very important issue for me. Especially since I know the trillion dollars of spending that the federal government has committed to with infrastructure building.

DHANRAJ SINGH: Thank you, thank you for that clarification Councilman. Um, perhaps let me, uh, respond to the first part of the question and the concern that you have about the representation. Like I mentioned already, I don't have the data on the breakdown, um, at the moment which is something that we can provide to you at a later time. But I will

say this, that absent the data, we are cognizant that not all MWBEs are the same. Some will require more support and attention than others and to ensure that they are seizing the opportunities. Our processes and programs are designed to ensure that attention is given not just too big picture but to each group of MWBEs to ensure that no one is left behind. Um, the.
. . .

CHAIRPERSON ROBERT CORNEGY: So, that, that brings me back to my biggest question about which is really important of those back small, seemingly false, I'm going to give you a chance to address that at an later date how many of those are, are actually prime contracts, right? Because that's the verification as the City and we keep trying dancing around that and I know for a fact that, uh, between SBS and HPD we've been trying diligently to put people in, to put these companies in their prime contracting pipeline and fast track this to some instances but I know we are still of that number, I bet you, that 200 and some odd number, I bet you the largest share of them are subs which still is greatly concerning movement forward. So, I don't want to be the proverbial data loss here but, uh, but major

concerns for the City of rising entitles or, or both and the fact that we have this cued up and we literally seem like we're not ready to maximize the participation of this particular demographic is disturbing.

DHANRAJ SINGH: Thank you again for that clarification Councilman and, and I note, I note your concern and like I said before, I will definitely respond to you with more details on that end. But to the, and the second part of your question which is something that I also want to, to just point to on the numbers. I did look at the, the, the, uh, Comptroller's report and the two reports, the number that the Mayor's Office of Contracts would normally publish is a little bit different than, than the numbers that are being calibrated on the Comptrollers report, because sometimes you might have a commitment and because it passes one Fiscal Year to the next, it doesn't get picked up in a particular year. Um, but even when I look at the, the report that the Comptroller published, um, looking at the numbers closely, even in Fiscal Year 2021, while they have a, the grade is there. When you look at the percentage of utilization compared to the previous year before,

it's 45 and 41 percent and if you factor in the pandemic there you can see that some, the, the utilization there necessary is not that far off. Um, but the methodology is a little bit different than the way these numbers are calibrated. If you go back to 2014, here again, you will see that overall utilization was at, was at 6.17 percent. But then when you look into the details you will see that there was one large extended service contract, multiyear contract that sort of throws the numbers out of whack. None of that is to say that, that again we take seriously our efforts to ensure that overall we are not just hitting the overall goal in our MWBE utilization, but we are paying attention to do the best that we can to make sure that all the different groups, the minority groups of MWBEs are getting a fair shot of the opportunities.

CHAIRPERSON ROBERT CORNEGY: So this is why I hate statistics because clearly we are saying here that, they can be, you know, they can obviously be manipulated, right? Um, so, anecdotally I know for a fact that there is less participation because I have to interact with, in my current role and my role as the MWBE Task Force Chair, those two intersections

tell me that there are glaring disparities between the utilization rate with MWBEs and City Contracts and then my colleague pointed out, his numbers, which he got from your open data portal, right? So that's not even like made up, like, literally while he was sitting there, went on to the site and, and got those numbers, so they, they're your numbers, so. Um, please going forward we, we have to make a more aggressive effort to include, um, MWBE contractors like, you know, this, this portion of, the, the narrative around helping communities or color starkly leaves out businesses and the ability for MWBEs to participate in the City with a, you know a \$98 billion budget and we're at, you know, 2 percent in some instances. Right, and again I know that the numbers can be manipulated and the statistics can be skewed but anecdotally I talk to these men and women every single day in their company. Some are going under at a time when building is at an all-time high and at a time when trillions of dollars are in the pipeline that, that seems, um, ridiculous for me in the City. I want to be able to do this. I'm going to take this opportunity to move on and get some Council Member questions and then I'll come back to

my questions, um, since I'm delegated for being here for the entirety of this hearing. If any of my colleagues have questions on or in the queue, um, Committee Counsel can you, can you please let us know if there are some?

ALEX POLINOF, COMMITTEE COUNSEL: Yes Chair. Next we will hear from Council Member Brooks-Powers and as a reminder Council Member we will be limiting questions to five minutes unless the Chair decides to extend the time. Council Member Brooks-Powers you may begin when the Sergeant calls time.

SGT. HOPE: Time starts now.

SELVENA BROOKS-POWERS: Thank you and then good morning everyone. Thank you Chair Cornegy and Kallos and the Committee Staff for convening today's hearing. Um, I appreciate the opportunity to be able to, um, ask questions. In 2017, Mayor de Blasio pledged to phase out the use of causticizers in hotels and sheltering our city's unhoused population and to replace them with 90 shelter facilities citywide by 2023 with at least one facility in each community district. The City has continued contracting with hotels to provide shelter since making this pledge. For example, as recently as

September, the Department of Social Services has transferred dozens of unhoused people to the La Quinta Hotel in Edgewater in my District. These decisions have been made on short notice and without community involvement but more importantly on today's discussion they've run counter to the goal of phasing out the hotels. I am concerned that the City is not taking appropriate steps toward achieving their goal. I would like to discuss how the administration chooses to initiate, enforce, renew and terminate its contracts. Um, and the questions that I have in addition to that are, why is the hotel phase out deadline 2023 and not sooner? As the deadline approaches, how is the administration coordinating their current contracts with hotels and other facilities? Is the Administration working to terminate these existing contracts in alignment with the 2023 deadline? If so, how? And is the Administration entering new contracts with hotels and other facilities. Thank you.

DHANRAJ SINGH: Um, Councilwoman, um, Powers, thank you for your question. Um, the, the direct response to your question is something that is outside of my, my, uh, portfolio. I made note of the

question and I'm happy to, to pass that on to the respective personnel for them to get back to your office with a, with a response.

SELVENA BROOKS-POWERS: And, Chair if I may, um, I ask that we set a time frame in which we can expect to get a response to my questions. I find that, um, in particular with HPD I have not received timely if at all responses to inquires that I've sent to the agency so if we can just set it to say that within a week I can expect to get responses to my questions I'd appreciate that.

DHANRAJ SINGH: Noted Councilwoman Powers.

CHAIRPERSON ROBERT CORNEGY: So, um, to, to Councilwoman Powers point it's a little bit discouraging I don't think we blind-sided any agency about the questions that are coming so, you know, preparation is incredibly important for members and also for, for agencies. There's no secret what we, what we're demanding in terms of information. Um, I find out on my way out it's been eight years of this a little bit distressing that every time we get to a hearing either, uh, the Commissioners and the Deputy Commissioners are the same, they don't have that

information readily available or something else and, you know, we're advocates for the communities that we serve in and me, uh, as the Chair of Housing and Buildings for the entire City and it's Housing and Buildings portfolio and stock and me, my inability to deliver, uh, answers to questions that are formulated through the relationships that we all have the City. Is, is a little bit disturbing, um, so, um, you're not alone uh, Council Member Brooks-Powers in, in your demand for timely, uh, uh, timely response to the questions that we are answering and we've worked together as units, me now for four years in this role but eight years in the question. You know what questions we're going to ask, I don't think Brooks-Powers, uh, Council Member Brooks-Powers asked uh, you some, some astronomical questions from out of nowhere, these are questions that, you know, we ask, we said, we sent to your offices prior to, even the meetings that we have so. You know, just, just note that please.

SELVENA BROOKS-POWERS: Chair, I'm sorry Chair, sorry to interject. One thing that I do want to do know is I understand that this is the Commissioner is saying that these questions are out

of his portfolio but at a bare minimum understanding if the administration is entering into new contracts with hotels and other facilities I think at a bare minimum in an oversight hearing for contracts we should be able to even get a response to that at a minimum as well as understanding like this phase-out plan because this is a contract and this administration is coming to a close, so one would think that these are, these are bare basic information that they should be able to answer.

CHAIRPERSON ROBERT CORNEGY: Council Member Brooks-Powers, listen when we did in person hearings, uh, uh, the agencies including HPD would commit to by the end of the hearing. When you're, when we're in person you've got 16 people with you and they all kind of huddle up and get us the information. I'm asking that we do that virtually. So, if you've got to reach out to your staff in your office, it shouldn't be that difficult to at the bare minimum answer the question that Brooks-Powers has put forward today about hotels. That's a, that's a reasonable question. So, I'm going to go ahead and press a little bit and say if we were in person you would, you would, uh, you would huddle up and get us

the answer to that question, I'm asking you to do that virtually please.

SELVENA BROOKS-POWERS: Thank you.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Chair and thank you Council Member Brooks-Powers, we will now move to questions from Council Member Chin. Uh, Council Member Chin, you can begin when the Sergeants call time.

SGT. HOPE: Time starts now.

MARGARET CHIN: Uh, thank you, thank you Chair, um, for holding this hearing today. Um, Assistant Commissioner, in your testimony you talked about in 2014 that HPD launched the Building Opportunity Program. Um, it was a building of future capacity building course. And like in the past seven years, you only hosted five classes of participant, uh, totaling 110 firms served. So, I guess my question is like why is it so few classes and also do you have any kind of data showing how many of these firms actually got contract, uh, with HPD or, or with developers and how many of them were really, actually, you know got some work and capacity of builder they were able to bid for contracts?

DHANRAJ SINGH: Councilwoman thank you for the question. The, HPDs Building Opportunity Program offers a 10-session workshop that's designed for MWBEs and not for profit developers seeking opportunities and exposure to best practices in affordable housing development. The course exposes participants to affordable housing and finance, assets and property management and how to position their businesses for effective joint ventures and public private partnership. It is taught by HPD staff, the developers would potentially work on future development projects as well as other professionals in the affordable housing field. The course includes opportunities for networking, and in formal mentorship. A brief application is required at the start of course cohort which requires every 12 to 18 months. Again, because it's a 10-session program. This would explain the from 2014 up until now the number of sessions that you eluded to. In terms of the breakdown of the numbers that you are asking for, I don't have that level of details with me at the moment and that is something I can certainly get back to you on.

MARGARET CHIN: I mean that's something that, yeah, I, I'm a little frustrated with my answer as my colleague. Uh, when you put that into testimony you should know that we want more detail. Um it sounds like it's a lot but it's not, I mean you're talking about in the last six to seven years, 110 firms, well, how many of them were successful. Late, I hope HPD should be capturing this data. You know, finding out that this group that you have, you know, worked with and trained how many of them actually got connected, uh, with a private developer or the joint project. I mean those are the success stories that you need to be capturing and sharing it with us because, uh, yeah, I mean a lot of the MWBE groups do need, and nonprofit groups they do need help. And we just hope that the City would do more to create opportunities for them and that's why, you know, you should really find out more detail and also like within those six to seven years we only, just, even though it's just 10-sessions but only five classes. You say you are only doing less than one a year and, and that is not sufficient. Thank you Chair.

CHAIRPERSON ROBERT CORNEGY: Thank you.

I want to acknowledge the presence of Council Member Grodenchik, Council Member Barron and Council Member Genarro.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Chair, uh.

MARGARET CHIN: I guess, yeah, the Commissioner will get back to us.

DHANRAJ SINGH: Councilwoman, sorry about that, yes, I, I heard your comments at the end and I can assure you that we will get that information to you because I do not have it at the moment.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Commissioner. If any Council Members want to ask additional questions please use the Zoom Raise Hand Function. If not, I will turn it back to the Chair.

CHAIRPERSON ROBERT CORNEGY: Thank you. In, in frustrations we've submitted questions, uh, for the agency. I've submitted questions for the Agency we can actually move on. I have no more questions.

ALEX POLINOF, COMMITTEE COUNSEL: OK. Thank you Chair. Uh, in that case we will now move to the public testimony portion of the hearing. Uh,

I'd like to remind everyone that unlike our in-person Council Hearing we'll be calling on individuals one by one to testify so once your name is called, a member of your staff will, a member of the staff will unmute you and the Sergeant at Arms will set the timer and announce that you may begin. Your testimony will be limited to five minutes. We would now like to call upon Evelyn Orange to testify followed by Dianna Prashad and Jennifer Ann Garcia. Uh, Evelyn Orange you may begin when the Sergeant has called time.

SGT. HOPE: Your time starts now.

ALEX POLINOF, COMMITTEE COUNSEL: It appears that Ms. Orange is no longer with us, so we will move to Dianna Prashad followed by Jennifer Ann Garcia and then Chris Widelo. Uh, Dianna Prashad you may begin when the Sergeants call time.

SGT. HOPE: Time starts now.

ALEX POLINOF: Uh, it looks like Ms. Prashad is also not with us, uh, give us one moment. As members of the public we would like to call upon Chris Widelo and then Jennifer Ann Garcia.

CHAIRPERSON ROBERT CORNEGY: Well, sorry, before you move forward, Council Member did you have

a question? OK. Sorry. I thought you were, I thought you physically raised your hand.

ALEX POLINOF, COMMITTEE COUNSEL: Well, we're going to move to the public testimony. So, Chris, Chris Widelo you maybe begin when the Sergeants call time.

SGT. HOPE: Time starts now.

CHRIS WIDELO: Hi. Good morning Chair Cornegy and the members of the Committee, I thank you for the opportunity to testify today. My Chris Widelo, I'm the Director of External Affairs for NYCFAH over the affordable housing trade industry here in New York. We have over 400 members and, you know, we have everybody from developers to lenders to investors, attorneys, that, you know we could face with the affordable housing industry. Um, I wanted to thank you for holding this hearing on an important topic around MWBE developers and contractors and how we open up more opportunities for them in the affordable housing role. It's, it's a big goal for our association. It's something that we actively work on. We have a number of networking and membership event focused on MWBE engagements to link them to more established firms. So, um, they can

have opportunities, uh, to work on HPD and HCR projects. Um, you know, we've been long advocating for the removal of barriers to get MWBE certified businesses certified on both the City and the state level. It's, often a process that hinders their ability to get these jobs in the industry, and, so, um, you know, we, we try to take a very proactive approach but we know that this is just not enough that more needs to be done. So, one of the of things that I wanted to discuss was around, uh, working with major financial institutions to, uh, and many of the, some of them have taken steps towards diversity, equity and inclusion goals and the development space. Um, but these commitments needs to be matched with a more attainable underwriting standards in order to see results. So, if you were to develop or buy a piece of real estate there are requirements around equity, investment and financial guarantees that must be provided, a bank credit risk departments want to know, what the developer has and do they have the work to invest the required equity into stabilized and compete for the project in case of overruns or delays. The net worth and liquidity covenants are pretty significant. So, for example, in New York

City a \$30 million is not really considered very large, yet the net worth required for this deal would be \$7.5 million and the cash liquidity would be \$1.5 million. So, these are prohibitive figures for many smaller and minority led firms. Um, the Neighborhood Entrepreneur Program pioneered by HPD, um, net worth and liquidity requirements were greatly reduced and the program had participation by a great many women and minority led development firms as a result. Um, HPD and HDC again has, have the power to shake financial guarantee requirements and ensure minority and women led firms get appropriate share of the business. So, um, you know, we, here with our staff along with our Board Chair who remains personally committed, um, to this issue, his name is Kirk Goodrich, I'm happy to discuss this and other ideas with the Council and we would really like to see this conversation continue. Thank you.

CHAIRPERSON ROBERT CORNEGY: Uh, Chris, do you have, um, written recommendations to submit?

CHRIS WIDELO: Yes, I've, I've submitted a copy of the testimony which is a little bit more detailed but I can also connect, uh, your office or set something up with Kirk. He has put a lot of time

and, and research into this as to what it would look like. Uh, I'd be more than happy to share that with you Chair.

CHAIRPERSON ROBERT CORNEGY: All right.
Thank you.

CHRIS WIDELO: You're welcome.

ALEX POLINOF, COMMITTEE COUNSEL: Thank you Mr. Widelo. If any Council Members have questions, please use the Zoom Raise Hand Function now. Seeing no hands raised. We will now, one more time try to call upon Dianna Prashad to testify, Ms. Prashad? She is no longer available, so with that, this concludes the public portion of the testimony today. If we've inadvertently forgotten to call upon someone to testify, that person could use the Zoom Raise Hand Function to raise their hand now and we will call upon you.

DIANNA PRASHAD: Hello? Hello?

ALEX POLINOF, COMMITTEE COUNSEL: Ms. Prasad, it's okay. Dianna Prashad you may begin with your testimony when the Sergeant calls time.

SGT. HOPE: Time starts all.

DIANNA PRASHAD: Good morning all. My name is Dianna Prashad. On December 2nd, 2021, the

City and online newspaper published a piece on my experience as a minority in a sub text of affordable housing. I've included this article as an attachment to my testimony. This article, however, represents only a partial rendering of my experience as a black female, a minority who participated the HPD First Time Homeowner venture in 2007 called Ocean Villa. In good faith but have faced retaliation by HPD for being a whistle-blower to 11 years of messages and then monitor and enforced an owner's occupancy and their contract which has left myself and roughly 195 other homeowners in this development deal with ...

JOHANNA CASTRO: Oh my God Leo, you don't know about the.

DIANNA PRASHAD: Of a community that has exploded with the conversion of these homes into rentals which has adversely affected the property values and even the safety of remaining homeowners. While this story focuses only on my current predicament with one such homeowner, namely the one who's home is attached to mine. It does not record that these issues of these conversations dated back as far as 2012. It does not record that there are other avid homeowners on my block that this practice

of illegal conversions dated back to 2012, a decade ago and has gained traction over the years with yet other homeowners converting their homes into rental properties and using these grant funded first time homes as collateral for loans to purchase homes in other states and other neighborhoods where they have relocated to moreover despite these secondary mortgages being recorded under the SSN and the city property records HPD has looked the other way for over a decade now allowing select homeowners to profiteer while holding the rest of us to the latter of the contracts despite safety issues that we are experiencing through the influx of the city homeless clientele illegally being placed into these homes and they are targeting homeowners and compliance. My story was first brought to this committee on November 9th, 2021 where my Council Member Ms. Powers-Brooks testified on my 20 month encounter of dealing with HPD requesting that HPD provided response to specific questions which the Chairman Mr. Cornegy promised that he would provide support and have received the answers she sought in exactly 48 hours, we have expired since this request for which HPD has remained mute. I would like to know, Mr. Chairman have you

kept your promise to me and my Councilwoman to assist in our fight for partiality and justice. As it stands today, I am still experiencing the same self-issues that have had for the past 20 months being threatened with physical violence, intimidation, habitual disturbance with quality of life issues from this same self DSS clientele. The totality of which has adversely affect by employment and continues to adversely affect my employment. My experience entering into a contract with New York City, also had like the lack of accountability by New York City Agencies. As a first time homebuyer I signed several contracts with HPD which enumerate an enduring the responsibilities on me as a moderate to low income buyer including owner occupancy clause for 25 years. HPD was designated, monitored and enforcer of this comment and as well underwritten a good faith expectation of monitoring and enforcement by HPD which were not met as well as a contractee I was required to honor all contractor obligations to this City. They stilled any obligations to me and even with the issues of ongoing contractor whose breeches was brought to their attention, continues to ignore these irrespectors of the impact of my safety,

quality of life and my employment. The excuse was that as an NYCFAH team monitored enforcement may or was discretionary for, not mandatory for HPD, irrespected of course to contract these as such as myself and compliance. Thus as a homeowner while I must abide by every aspect of my contract. This same reliance is remiss in HPD monitoring and enforcing. Per their contract and obligations by incorporating such as may as may as precursors to their obligation expressing the possibility to neglect the reality of their contract through obligations respectively. HPD should not be allowed to mislead prospective homeowners by creating one sided contract that places an inundated amount of restrictions and responsibilities on low income prospective homeowners while shielding themselves. They should not be allowed to underwrite that they are endowed with monitoring and enforcing responsibility yet remiss in their contracted duties and minority communities after money is exchanged. New York City agencies should be held both accountable and ...

SGT. HOPE: Time expired.

DIANNA PRASHAD: ... reliability for failure to live up to their contract obligations and

good faith expectations of all homeowners. It's failing to live up to their contractor obligations. With respect to race, color, creed and Zip Code, black community and contracts with HPD should not be particularly left to implode while they practice due diligence in order to preserve and safeguard other communities of a different hue. Thank you.

CHAIRPERSON ROBERT CORNEGY: So, Ms.

Prashad I just want to answer your question. Yes, my office did follow up with HPD and, and, uh, I was limited what I could do based on pending legislation between yourself, your family and on HPD. So, um, but we did absolutely honor our commitment and I'm still honoring our commitment to follow up and work on your behalf, um, with your Council Member, uh, Council Member Brooks-Powers. There are limited, um, there is some limitations based on outstanding and pending litigation that you're in currently with HPD. So I apologize.

DIANNA PRASHAD: Thank you. But the only thing I want to say about that, a new litigation, the litigation did not stop them from doing a job months prior to us going into court and months after us appealing our decision. So, they still had a

responsibility and obligation to do the due diligence and removing these, uh, these illegal occupants that is a daughter. They had more than enough time, they had 2 years to help and do their job and writing the wrong and they chose not to do so because they wanted to basically retaliate against my family for just speaking out against what they've done to us. They had enough time to go this and the litigation is no excuse they are, they are currently in court with other entities and they're still going ahead and doing their job on a day to day basis. So, whether I had to go court or not, that still didn't prevent them from doing their job.

CHAIRPERSON ROBERT CORNEGY: Thank you.
Thank you.

DIANNA PRASHAD: Furthermore, when we spoke to HPDs Chief Counsel, Nicholas Lungran [SP]. He told us that, that, and whatever litigation would have to proceed with would have no impact on HPD doing their job. Um, so I'm not understanding how come, at this point, my litigation is being used as an excuse. The more rhetoric is used, excused, even though there are safety issues involved here and

they're the safety issues for 21 months now? On July 30th with ATB Commissioner Louise Carol.

CHAIRPERSON ROBERT CORNEGY: I, I didn't, I didn't, I didn't bring that us as an acute for, um, HPDs behavior. I was informing you of my, uh, my limited available to work in the context because of the, uh, the litigation so that wasn't, that was not an excuse. I, I'm not making any excuses from HPD and their responsibility staff is not my intent at the time and I cannot, um, on this hearing re-litigate what's happening so.

DIANNA PRASAD: OK.

CHAIRPERSON ROBERT CORNEGY: I'm apologizing and I'm saying I understand our litigation but it provided limitations for myself and my office. Not for them doing their job, not from them honoring any commitments, that's not what I'm saying at all.

DIANNA PRASAD: Okay. Well, thank you. I appreciate your support and we will continue on. They'll be more news stories coverage about matter if they don't do the right thing. But thank you again and all y'all have a blessed day.

CHAIRPERSON ROBERT CORNEGY: Thank you for your testimony on today's Housing and Buildings hearing. Uh, if there are no more testimonies and nobody else in the que, thank you all for testifying. Thank you for staying the majority of the hearing especially Council Member Chin who troops it out with me almost every single time. Um, uh, thank you. This hearing is adjourned.

C E R T I F I C A T E

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



Date January 31, 2022