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COMMITTEE ON HOUSING AND BUILDINGS

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING
AND BUILDINGS

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May 3, 2023
Start: 10:36 a.m.
Recess: 1:48 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Pierina Sanchez,
Chairperson

COUNCIL MEMBERS:

Public Advocate Jumaane Williams
Shaun Abreu
Alexa Avilès
Charles Barron
Tiffany Cabàn
David M. Carr
Eric Dinowitz
Oswald Feliz
Crystal Hudson
Selvena Brooks-Powers
Kevin C. Riley
Nantasha Williams

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COMMITTEE ON HOUSING AND BUILDINGS

A P P E A R A N C E S

Kim Darga
Deputy Commissioner of the Office of Development
at the New York City Department of Housing
Preservation and Development

Xiomara Pedraza
Assistant Commissioner for Homeownership
Opportunities and Preservation

Michael Sandler
Associate Commissioner of Neighborhood Strategies

Guillermo Patino
Deputy Commissioner for External Affairs at the
New York City Department of Buildings

Matt Dunbar
Chief Strategy Officer and EVP with Habitat for
Humanity in New York City and Westchester County

Brendan Cheney
Director of Policy and Operations at the New York
Housing Conference

Arielle Hersh
Director of Policy and New Projects at UHAB

Joy Clarke
Tenant of TIL building

Beverly Pabon
East 127TH Street TA

Luisa Rodriguez
Tenant of TIL building

Lorraine Petlie
Small Homeowner

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COMMITTEE ON HOUSING AND BUILDINGS

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

Fermin Castro
Tenant of TIL program

Danielle Manley
Manager of Policy at Urban Green Council

Kevin Wolf
Center for New York City Neighborhoods

Carmen Vargas
Tenant of TIL building

Alexis Foote
Resident of Arverne View

2 SERGEANT AT ARMS: Good morning. This is a
3 microphone check for the Committee on Housing and
4 Buildings. Today's date is May 3, 2023, located in
5 the Chambers. Recording done by Pedro Lubel.

6 SERGEANT AT ARMS: Good morning. Welcome to the
7 Committee on Housing and Buildings. At this time,
8 please place your phone on vibrate or silent mode.
9 If you want to submit testimony, send it to
10 testimony@council.nyc.gov. Once again, that's
11 testimony@council.nyc.gov.

12 At this time, during the hearing, do not approach
13 the dais. Thank you for your cooperation. Chair, we
14 are ready to begin.

15 CHAIRPERSON SANCHEZ: [GAVEL] Thank you. Good
16 morning. I am Council Member Pierina Sanchez, Chair
17 of the Committee on Housing and Buildings and I want
18 to thank you all for joining this hearing today on
19 the state of homeownership in the City of New York.
20 I'd also like to acknowledge my colleagues from the
21 City Council who are present, Council Member Carr,
22 Abreu, Dinowitz, Brooks-Powers, Riley and our Public
23 Advocate Jumaane Williams.

24 For the vast majority of New York City residents,
25 homeownership is outside of the realm of possibility.

1 The city's homeownership rate is 31 percent compared
2 to a national average of 66 percent. And in
3 communities like mine, the homeownership rate is just
4 6 percent. The fact is, that there are not enough
5 opportunities for New Yorkers who want to buy a home
6 to achieve that dream. That is especially true for
7 New Yorkers from groups that have been historically
8 blocked from wealth building opportunities of
9 ownership.
10

11 A history of Black busting redlining racial
12 covenants, racial steering's and more egregious
13 policies by banks and even the government itself are
14 primary drivers for the low homeownership rates we
15 see today. Black households have an ownership rate
16 that is lower than the rest of New Yorkers. More
17 must be done to build opportunities for communities
18 that have been historically barred. And we must
19 protect the homeownership rates where we do have them
20 in communities like Council Member Riley and Council
21 Member Selvena Brooks-Powers.

22 We know that homeownership can have generational
23 impacts, building wealth for families and providing
24 housing stability, vital and an increasingly
25 unaffordable city. The Council has emphasized the

1 importance of HPD programs meant to promote
2 homeownership like the Home First Downpayment
3 Assistance Program Open Door, that is meant to spread
4 the construction of affordable co-ops and condos for
5 moderate- and middle-income households and we'll be
6 asking questions about these programs today.

8 Only nine percent of housing starts in the last
9 MMR were homeownership. Translating to 1,400 homes
10 in the already lower than usual 16,000 housing starts
11 that we have seen this year. This doesn't square
12 with the administrations ambition and our own of
13 truly promoting homeownership. What should be
14 happening is a shifting of HPD and the
15 Administrations modus operandi to create more
16 homeownership opportunities. We should be looking to
17 shift and figuring out how we shift to invest maybe
18 hundreds of millions of dollars in what we invest in
19 the creation of new housing.

20 We'd like to point to the successes of the
21 previous generations, Co-op City in the Bronx,
22 Council Member Riley's District. Mitchell Lama's all
23 across the city that provide homeownership
24 opportunity. While what is going to be our
25 generations legacy? What is going to be the Mitchell

1
2 Lama or the Co-op city of our generation? We should
3 be thinking critically about rare sites, like Fort
4 Lee Landing in my district where a developer team has
5 assembled 30 acres and proposed to build nearly 2,500
6 new homes. What are we going to do there? With
7 federal support from members of congress in the Bronx
8 like Ritchie Torres, we're finally beginning to
9 reimagine the Cross Bronx, which has brought so much
10 harm to generations of Bronx residents. Tearing up
11 communities to be built with federal support and
12 causing poor health outcomes and more today. Are we
13 preparing ourselves as a city for the community
14 building opportunities that decking over the cross
15 Bronx may bring? Are there other railyards and other
16 decking opportunities in the City of New York?

17 Finally, there are also programs meant to create
18 homeownership opportunities with great promise for
19 communities of color that have either not been
20 supportive of the homeowners or truly have been
21 object failures, like the Tenant Interim Lease
22 Program that dates back to 1978. In which hundreds
23 of long-term New York City residents have been
24 languishing for years. At its creation, the TIL
25 Residents were promised homeownership in exchange for

1 upkeeping their buildings. Decades later, decades,
2 they live in possibly half vacant deteriorating
3 buildings with broken promises from the
4 Administration, yet it is not only attaining
5 homeownership that is difficult in our city, it is
6 also keeping it. For existing homeowners, their
7 status as owners can often feel tenuous at best.
8 Homeowners have expensive mortgages and at any moment
9 they must be ready to chalk up funds to pay for
10 expensive emergency repairs, leaks, a ruined roof.
11 If they want to upgrade their homes, they may not
12 have access to the financial resources to do so or be
13 able to navigate the various administrative
14 requirements to properly make these fixes. Permit
15 processes and fees can be prohibitive or frankly,
16 just feel like punishment. We need to provide
17 trainings and support to these homeowners, so that
18 they do not face the mounting fees or violations from
19 the city because they weren't provided with tools.
20 So, today, we look forward to hearing from especially
21 the Department of Buildings about their efforts to
22 support homeowners.
23 support homeowners.

24 Ultimately, the inability to upkeep homes can
25 result in too many violations, fines, and more that

1 can become leans against their property and again,
2 enter us into the realm of foreclosure. To this end,
3 we will hear a number of bills today, Intro. Number
4 384, we will hear about from Council Member Brooks-
5 Powers. Intro. Number 689, sponsored by the Public
6 Advocate, which he will also touch on.
7

8 And so, at this point, I would like to thank my
9 staff Sam Cardenas and Kadeem Robinson, as well as
10 the Housing and Buildings Committee Staff Taylor
11 Zelony, Jose Conde, Charles Kim, Dan Kroop, Brook
12 Frye and Reese Hirota, as well as all of my
13 colleagues who have really emphasized the importance
14 of this topic and making sure that this Council is
15 addressing it.

16 I will now pass it to Council Member Selvena
17 Brooks-Powers to have her introductory remarks.

18 COUNCIL MEMBER BROOKS-POWERS: Thank you Madam
19 Chair. I'm excited to be here today to hear a bill
20 that is of crucial importance to my community and to
21 communities all across the city, Introduction 384,
22 which would create an Office of the Homeowner
23 Advocate.

24 In her State of the City, the Speaker reminded us
25 that when we talk about housing, we cannot forget

1
2 homeownership. Homeownership used to be a part of
3 our story, she said but these days it feels closer to
4 a pipe dream. New York City's homeownership rate is
5 about half the nationwide number. It is even less
6 for New Yorkers of color. Our homeownership rate for
7 Black residents is 27 percent and for Hispanic and
8 Latino residents, it is roughly 17 percent. Well
9 below half of the 42 percent rate for White New
10 Yorkers.

11 Homeownership has long been a vehicle for
12 Americans to build wealth but for low-income New
13 Yorkers, investing in a home and keeping it, such
14 that a family can build equity over generations has
15 scarcely been harder than it is today. And at a time
16 where foreclosures are on the rise, particularly in
17 communities of color, we must invest in
18 homeownership. Such that when New Yorkers in low-
19 income neighborhoods or communities of color buy a
20 home, they know the city has their back.

21 That's why I'm proud to sponsor Intro. 384. This
22 bill would create the Office of the Homeowner
23 Advocate within HPD. The Office of Homeownership
24 Advocate, excuse me of Homeowner Advocate, would be
25 tasked with providing the support to homeowners

2 including acting as a liaison between homeowners and
3 city, state and federal agencies, providing referrals
4 to homeowners and holding trainings for homeowners.

5 The office would also help homeowners access
6 private and public financial and technical resources
7 and create public awareness campaigns about the
8 rights and responsibilities of homeowners. The
9 Office of the Homeowner Advocate would also be tasked
10 with exploring how we ensure free and low-cost
11 homeowner services are widely available.

12 I look forward to today's conversation and for
13 the chance to discuss how we expand resources for
14 homeowners in communities like mine and make the
15 American dream more accessible here in New York City.
16 Thank you.

17 CHAIRPERSON SANCHEZ: Thank you so much Council
18 Member Brooks-Powers. I now want to turn it to our
19 Public Advocate Jumaane Williams.

20 PUBLIC ADVOCATE JUMAANE WILLIAMS: Thank you
21 Madam Chair and thank you for holding this hearing
22 and bringing up the issues of homeownership, which is
23 extremely important, often ignored, particularly
24 those in Black and Brown communities. So, thank you
25 so much. I remember before Deputy Mayor came and

1 took a tour of my former district, he was very
2 surprised. I think folks assumed that I had lots of
3 apartment buildings but most of my district is
4 actually one- or two-family homes and the issues need
5 to be lifted up, so thank you.

6 My name is Jumaane Williams and I'm the Public
7 Advocate for the City of New York. Thank you very
8 much Chair Sanchez and members of the Committees on
9 Housing and Buildings for holding this hearing and
10 allowing me the opportunity to provide testimony.

11 The previous administration committed to
12 increasing sustainability of buildings across our
13 city. Then Mayor Bill de Blasio signed a package of
14 bills that were part of his green new deal to ensure
15 that we are taking steps forward to address climate
16 change and issues of environmental justice. Local
17 Law 97 of 2019, which passed in 2019, requires
18 buildings of over 25,000 square feet to meet new
19 energy efficiency standards and greenhouse gas
20 emissions limit limits by 2024.

21 This bill also creates an advisory board and
22 climate working group that supports the city on
23 meeting these aggressive sustainability goals. In
24 addition, these buildings are required to file a
25

1
2 report that includes the annual greenhouse gas
3 emissions to the Department of Buildings. The main
4 goal is to reduce the greenhouse gas emissions from
5 buildings to 40 percent by 2030 and 80 percent by
6 2050.

7 To continue the city's dedication to this issue,
8 including some of the great work that the City
9 Council has already done, I hope my colleagues can
10 support my bill Intro. 0689. This bill will create a
11 new definition for green buildings projects that
12 would include one-to-four-unit family homes and wave
13 any building permits for green projects in these
14 buildings. About 29 percent of available units right
15 now are one to two family homes in New York City. It
16 will capture smaller size buildings since Local Law
17 97 applies to larger buildings consisting of 25,000
18 square feet or more. We must ensure that any project
19 filed can show energy and water efficiency and has a
20 seamless process for the permit waivers.

21 In addition, my colleague Majority Whip Brooks-
22 Powers is introducing Intro. 0384, which creates an
23 Office of Homeowner Advocate within the Department of
24 HPD. This office will be tasked with providing
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support to homeowners, connecting them with any of the resources.

In 0683, will incentivize homeowners of small buildings to take action to reduce gas emissions while Intro. 0384 will provide assistance, guidance and referrals. Now is the time to continue our support and fight for the sustainability of New York City. It is a scary reality for us and future generations if we do not prioritize climate change and address it head on. Every New Yorker deserve access to a safe and healthy home. We must invest in clean energy and actions toward environmental justice.

Not only will this allow us to reach environmental protection goals but also allow us to reach economic wealth with new jobs at the Office of the Homeowner Advocate and close the social equity gap. I also want to point out, this doesn't require homeowners to do things but it does incentivize them to move forward in waves and fees, hopefully inspiring to get it done. Thank you again.

CHAIRPERSON SANCHEZ: Thank you so much Public Advocate. I'd now like to turn it over to Council Member Kevin Riley.

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COUNCIL MEMBER RILEY: Thank you Chair Sanchez.
Thank you to the Public Advocate and Majority Whip
Brooks-Powers for her remarks and I just want to
piggyback off of her remarks.

Homeownership is crucially important for
communities of color. As the Chair mentioned, Co-op
City, the Northeast Bronx, Southeast Queens, these
have been vibrant communities where homeowners are
able to pass down generational wealth to their
children. And now, when we see a time where rent
prices are being increased, people are being priced
out, people are going into homelessness. I think
even more now, the city has to focus on more
homeownership programming and I'm proud to stand here
today and be one of the Co-prime Sponsors of Intro.
384 with Majority Whip Brooks-Powers but I think this
is what we need to be truly focused on.

Personally, homeownership can provide stable
housing costs. Rent prices in New York City has been
increasing steadily over the years and this can make
it difficult for low-income families, especially
those in community of colors to afford stable
housing. Owning a home can provide stability in
terms of housing costs as mortgage payments are

1
2 generally fixed to durations of the loan. Homeowners
3 can also build wealth overtime. As homeowners make
4 mortgages payments, they build equity within their
5 homes. The equity can be used for future investments
6 or passed down to future generations to their
7 children, to their family members providing the
8 pathway to intergenerational wealth building.

9 Homeownership can contribute to community stability.
10 When people own their homes, they are more likely to
11 invest in their neighborhoods and take pride in their
12 communities. This can lead to improved community
13 conditions such as increased property values, lower
14 crime rates and improve quality of life.

15 And lastly, homeownership opportunities can help
16 overcome historical barriers to homeownership face by
17 communities of color. For many years, discriminatory
18 policies and practices made it difficult for people
19 of color to purchase homes in certain neighborhoods.
20 Access to homeownership programming opportunities can
21 help overcome these barriers and promote greater
22 equity in homeownership. Overall, homeownership
23 opportunities can be an important tool for promoting
24 stability, wealth building in equity and communities
25 of color in New York City especially when rent prices

2 are increasing. It is important to ensure that these
3 opportunities are accessible and affordable to all
4 members of these communities regardless of income or
5 background. Thank you Chair.

6 CHAIRPERSON SANCHEZ: Thank you so much Council
7 Member Riley and thank you to all my colleagues who
8 are here today. We've also been joined by Council
9 Member Avilés, Council Member Hudson and Council
10 Member Feliz.

11 With that, I'd like to turn it over to the
12 Committee Counsel to administer the oath.

13 COMMITTEE COUNSEL: Please raise your right hand.
14 Do you affirm to tell the truth, the whole truth and
15 nothing but the truth in your testimony before this
16 Committee and to respond honestly to Council Member
17 questions?

18 PANEL: Yes.

19 COMMITTEE COUNSEL: Thank you. Go ahead.

20 Good morning Chair Sanchez and members of the New
21 York City Council Committee on Housing and Buildings.
22 My name is Kim Darga, Deputy Commissioner of the
23 Office of Development at the New York City Department
24 of Housing Preservation and Development. I'm joined
25 by Xiomara Pedraza, Assistant Commissioner for

1 Homeownership Opportunities and Preservation and
2 Michael Sandler, our Associate Commissioner of
3 Neighborhood Strategies. Thank you for the
4 opportunity to testify about the important topic of
5 homeownership opportunities throughout New York City.
6

7 As Commissioner Carriòn testified in March, our
8 Administration is committed to making the dream of
9 homeownership a reality for more New Yorkers,

10 particularly low-income communities and communities
11 of color that have been historically excluded from
12 opportunities to build and maintain wealth.

13 Homeownership has always been vital for economic
14 mobility. Owning a home helps households build the
15 assets they need to send their children to college,
16 save for retirement and put down roots in a

17 community. However, the median sales price of a home
18 in New York City reached \$790,000 this past March.

19 This, combined with high interest rates, other
20 increasing costs, and constrained supply has put
21 homeownership opportunities out of reach for most New
22 Yorkers. Maintaining a home and home equity can also
23 be challenging in the current environment of rising
24 costs and interest rates. Addressing these
25 challenges by preserving existing and creating more

1
2 homeownership opportunities is a key component of the
3 Administration's Housing our Neighbors blueprint.

4 As part of our commitment to homeownership, we
5 create and preserve homeownership opportunities
6 through a variety of programs. Over the last few
7 years, we've invested significantly in homeownership
8 programs and in late 2021, we restructured our teams
9 that work with homeowners to provide more
10 comprehensive services by creating the division of
11 homeownership opportunities and preservation within
12 the Office of Development.

13 This new division creates new homeownership
14 opportunities within existing residential property,
15 manages the number of programs that help existing
16 owners maintain their home and facilitate shared
17 equity. This division works closely with our Office
18 of Neighborhood Strategies, where we have created a
19 new owner outreach and events team, which provides
20 classes for homeowners, organizes resource events and
21 neighborhoods around the city and oversees our major
22 counseling and financial assistance programs for
23 homeowners.

24 Earlier this year, the city committed \$53 million
25 in tax levy and additional federal home funds to

1 supplement capital invested through various programs
2 to our budget to further expand various homeownership
3 opportunities outlined in *Housing Our Neighbors*, a
4 blueprint for housing and homelessness.
5

6 Recognizing the critical role that homeownership
7 plays in stabilizing neighborhoods and building
8 generational wealth, HPD launched the Open-Door
9 program in 2017 to create new limited equity
10 homeownership opportunities for first time homebuyers
11 and the city reiterated this commitment in *Housing*
12 *Our Neighbors*.

13 In 2021, we expanded our Home First Downpayment
14 Assistance program to offer up to \$100,000 per
15 qualified first-time homebuyer, purchasing a home in
16 New York City, more than doubling the amount of
17 financial assistance available for first time
18 homebuyers and allowing them to afford to purchase a
19 home in more neighborhoods throughout the city.

20 Last year, Home First provided more than \$7.8
21 million to over 100 low-income families to purchase
22 their first home. The city recently added an
23 additional \$29.4 million of funding to support this
24 important program, which will allow us to serve
25 double the number of first-time homebuyers annually.

1 Through various preservation programs, we also create
2 new homeownership opportunities within existing
3 building and support the conversion of rental
4 properties to affordable homeownership.
5

6 HPD has a range of financing programs to assist
7 multifamily HDFC and Mitchell-Lama cooperatives.
8 These programs, including the Participation Loan
9 Program and Green Housing Preservation Program, are
10 available to help cooperative owners finance
11 renovations where an affordable loan is paired with a
12 residential property tax exemption in order to help
13 reduce expenses. Our HDFC training and technical
14 assistance contract is available to help cultivate
15 and maximize the skill sets necessary to successfully
16 promote, sustain and develop housing activities
17 beneficial to running effective cooperatives. HPD is
18 also exploring development of a new Owner Resource
19 Center, building off the current Landlord Ambassador
20 Program, to provide technical assistance to owners of
21 multifamily properties, including HDFC cooperatives,
22 seeking to stabilize operations and access city
23 assistance.

24 We are also improving and expanding our programs
25 to support existing 1-4 family homeowners. In 2019,

1 we launched Home Fix, a repair loan program, to scale
2 up assistance to lower income 1-4 family homeowners
3 earning up to 165 percent of the Area Median Income.
4

5 We recently committed \$16.5 million to expand
6 Home Fix to serve 50 percent more households and help
7 owners invest in energy efficiency and resiliency
8 along with other home repairs. This program provide
9 financing terms that adjusted to be affordable to
10 each applicant, eliminating the standing credit and
11 debt to income requirements that often prevent owners
12 from being able to access financing to do repairs.

13 In order to help homeowners address climate
14 resiliency, we are also working not only to
15 incorporate resiliency as an eligible cost in Home
16 Fix but are also investing \$32.5 million in Community
17 Development Block Grant funding to improve the
18 resiliency of homes throughout New York City.

19 We recently committed \$7.2 million to establish a
20 citywide Homeowner Help Desk, which builds upon
21 successful pilot programs. The Help Desk,
22 administered in partnership with the Center for New
23 York City Neighborhoods, was developed to raise
24 awareness about deed theft and scams and offer one on
25 one housing counseling, financial assistance, legal

1 services, and other support to struggling homeowners
2 of one to four family homes.

3
4 To date, the center has assisted more than
5 250,000 homeowners, saving 18,000 homes, which
6 equates to preserving more than \$10 billion in
7 property value. Of these 250,000 homeowners, 78
8 percent were from communities of color, 54 percent
9 were Black and 18 percent were Latino or Hispanic.
10 The Homeowner Help Desk and Help Desk partners
11 continue to support homeowners on a daily basis. If
12 you or one of your constituents is interested in the
13 services I just mentioned, please call (646) 786-0888
14 for assistance.

15 We work closely with contracted partners to
16 administer most of our homeownership programs. The
17 Center for New York City Neighborhoods was created
18 specifically in the wake of the mortgage crisis to
19 address the foreclosure crisis affecting homeowners
20 across the city. The center, with our network
21 providers, now provide wrap around services to
22 homeowners of small homes and operated the Homeowner
23 Hub.

24 The challenges we currently face in creating
25 generational wealth, building opportunities and

1 addressing inequities are unprecedented. This
2 Administration is committed to promoting and
3 preserving ownership for New Yorkers, especially
4 those that have been traditionally overlooked and
5 disadvantaged. We also look forward to working with
6 you and your colleagues to develop strategies to
7 improve the ways we support homeownership for New
8 Yorkers. While today's challenges of high inflation,
9 interest rates, and housing costs are unprecedented,
10 the Administration is invested in creating
11 opportunities to develop new and creative solutions
12 together.
13

14 In regards to the legislation being heard today,
15 while HPD supports the goals of Intro. 384, HPD
16 currently works with citywide and local community
17 organizations to focus our resources on the needs of
18 local neighborhoods and support HPD's mission to
19 prioritize creating and preserving affordable housing
20 for lower income homeowners and factors in existing
21 public and private resources.

22 Again, thank you for the opportunity to testify
23 about these important issues, and we look forward to
24 your questions. I'm going to turn it over to my
25 colleague from Department of Building now.

1 Good morning Chair Sanchez and members of the
2 Committee on Housing and Buildings. I am Guillermo
3 Patino, Deputy Commissioner for External Affairs at
4 the New York City Department of Buildings. I am
5 pleased to discuss the Department's efforts to
6 support small property owners and Introduction 689,
7 which would waive permit fees for green building
8 projects pursued by small property owners.

9 The Department recognizes the importance of
10 homeownership and takes great care to develop
11 policies and programs that specifically recognize and
12 support small property owners. When a home is
13 purchased, the Department reaches out to new property
14 owners with a toolkit they can use to maintain their
15 property and comply with applicable regulations
16 before they run into any issues.

17 New property owners receive a mailing from the
18 Department that shares critical information about
19 their property, including any open violations or
20 permitted construction jobs at that property, and
21 that tells them about compliance inspections they
22 must comply with, which may include inspecting their
23 elevators, their boilers or their facades. The
24 Department is also reaching out to property owners
25

1 when we receive a filing for a construction project
2 at their building for the first time, so that they
3 know what to expect as their project moves through
4 the approval process and to connect them with
5 Department resources.
6

7 It should also be noted that fee equity was
8 considered when the Department developed a fee
9 structure for construction permits, which means that
10 small property owners pay less for their construction
11 projects than those property owners pursuing projects
12 at large buildings.

13 Similarly, the Department has taken into
14 consideration the financial burdens that violations
15 can create for small property owners, who may not be
16 familiar with relevant building and construction
17 regulation that they must comply with. As such, the
18 Department is taking an education first approach when
19 dealing with small property owners.

20 In late 2021, the Department launched the
21 Homeowner Relief Program, which provide small
22 property owners with the opportunity to correct
23 violating conditions without incurring financial
24 penalties. This is a shift in the way the Department
25 has done business in the past and is an effort by the

Department to support small property owners.

Additionally, last year, the Department amended its rules to extend cure periods for all violations that are not immediately hazardous from 40 to 60 days, providing additional opportunities for property owners to address violating conditions without incurring financial penalties.

Finally, the Department also opens its doors in every borough on Tuesday nights for Buildings After Hours, which provides property owners with an opportunity to walk into our offices with any questions they might have about a construction project they are considering pursuing or about resolving a violation they may have received.

Turning now to the legislation before the Committee. The Department is supportive of the intent of Intro. 689 as it supports the city's ambitious goal of reaching net zero emissions by 2050 and would help provide financial relief to small property owners seeking to green their buildings. In New York City, about two-thirds of carbon emissions can be attributed to buildings, which makes buildings the largest source of climate change causing greenhouse gases. The Department's Sustainability

1 Bureau is hard at work implementing and overseeing a
2 number of measures aimed at reducing emissions from
3 the city's building stock, which are helping in the
4 fight against climate change. However, it is
5 incumbent upon building owners to do their part to
6 green their buildings and we hope this proposal helps
7 to accomplish that.

9 Thank you for the opportunity to testify before
10 you today.

11 CHAIRPERSON SANCHEZ: Thank you. Thank you so
12 much to members of the Administration for joining us
13 at our weekly Housing and Buildings hearings. We've
14 been seeing a lot of each other but you know, it's
15 important.

16 So, I'm going to start with just a few questions
17 and then I'm going to turn it over to my colleagues.
18 I especially want to shout out Council Member Carr
19 who was very passionate about ensuring that we had
20 this hearing in the very first conversation we had.
21 So, thank you Council Member Carr.

22 Okay, so first up, my team is great and they told
23 me that I should ask HPD to join our Community
24 Resource Fair next week, so I will do that. Please
25 join our Community Resource Fair next week. Okay, so

1 you know in my opening remarks, you know what I'm
2 really trying to get at is you know just getting the
3 city of New York to think big about promoting
4 homeownership opportunities. And I want to
5 acknowledge that the Department has, HPD has taken
6 big steps in growing how many folks are – how many
7 families are getting foreclosure assistance, growing
8 the amount of resources and supports that are
9 available to homeowners, you know over the you know
10 past year, past recent years but in sort of thinking
11 big, I want to focus us on the MMR and you know the
12 lower rates that we are seeing overall of housing
13 starts. But specifically with respect to
14 homeownership, housing starts, we're seeing a lower
15 rate of housing starts even at the time that we're
16 seeing a higher rate of completions. We want both to
17 go up, right? And so, looking at the percentage of
18 housing starts, just nine percent of housing starts
19 or 1,400 homes were dedicated to homeownership in the
20 most recent Mayor's Management Report. How does this
21 square with HPD's last year goals of expanding
22 homeownership opportunities in the City of New York?

24 KIM DARGA: Sure. We've talked a lot in our
25 regular Committee meetings recently about some of the

1 challenges that we've faced within the Office of
2 Development and managing the pipeline giving staffing
3 challenges throughout the pandemic. Which certainly
4 was reflected in some of the production from last
5 year. Over the last decade, about 25 percent of the
6 overall housing production work that HPD has financed
7 has been focused on homeownership. A lot of that is
8 preservation of existing opportunities for low,
9 moderate income New Yorkers and that continues to be
10 a major, major focus for us. You heard in the
11 testimony that we have invested significant resources
12 recently. In technical assistance, legal assistance,
13 as well as financial assistance, those investments
14 build upon work that we have done historically with
15 HDFC cooperatives and Mitchell-Lama cooperatives to
16 help those properties invest in housing quality
17 renovations and to help address operating cost
18 through property tax exemptions.

19
20 So, that I think will continue to be a major
21 priority for us. You know in our preservation
22 programs that work with one to four family homeowner
23 along with multifamily cooperatives, we are largely
24 serving very low income, lower income homeowners and
25 overwhelmingly homeowners of color.

1
2 We have also in recent years invested in programs
3 that focus more on creating new opportunities and
4 there's two main ways that we do that. First is
5 financing projects, affordable housing projects.
6 These are largely limited equity cooperatives. Where
7 our goal is to create long-term affordable
8 homeownership opportunities.

9 I have to be honest, it's really expensive work
10 and that is one of the big challenges. So, we would
11 love to do more and we have made sure that those
12 programs exist and are available but we invest more
13 in capital on those programs than basically any other
14 work that we do.

15 So, that is one way in which we create new
16 opportunities. The other way that we create new
17 homeownership opportunities is by investing in
18 downpayment assistance and that is something that we
19 have really increased support for. Historically, we
20 allowed up to \$40,000 per applicant and the program
21 because it was federally funded, focused solely on
22 homeowners earning less than or not homeowners but
23 households earning less than 80 percent of area
24 median income. One of the things that we have
25

1 committed to under the blueprint is to expand support
2 for downpayment assistance.
3

4 So, we first started with increasing the amount
5 available to \$100,000 per household and we are now
6 working, we increased the amount of federal funds
7 that we've committed to the program and we are also
8 investing significant city resources at this point
9 and time, to also expand eligibility, not just to
10 low-income households but also to moderate income
11 households in New York City.

12 And so, we are really hoping to more than double
13 the amount of households that we can serve through
14 those initiatives. That is to be again, quite
15 candid, that is a much more efficient investment in
16 public resources for us and so, that is something
17 that something we are very interested in and I think
18 as we expand and bring the new investment into our
19 programs over the next year, we'll continue to
20 monitor the progress in that program.

21 CHAIRPERSON SANCHEZ: Thank you. Thank you so
22 much and just drilling down into your statement that
23 these homeownership capital projects are more
24 expensive. What are some of the reasons for that?
25 Do we not have access to some of the state and

1 federal funds? What are we looking at and what can
2 we do about it as a city?

3
4 KIM DARGA: Yeah, that's a great question. So, I
5 think there's a couple big factors there. So, the -
6 and just to clarify the cost, the two main programs
7 today where we create a new limited equity
8 homeownership opportunities, our Open Door, which is
9 round up new construction as well as our Affordable
10 Neighborhood Cooperative program, which creates HDFC
11 cooperatives and gives residents within city owned
12 buildings that opportunity.

13 The average capital investment per new home in
14 those programs, in open door, recently is about
15 \$230,000 per residential unit and in our Affordable
16 Neighborhood Cooperative program, the cost over the
17 last couple years have been above \$430,000 per unit
18 and then more recent projects we're seeing are now
19 over a half million dollars per affordable home.

20 So, there's a couple of reasons for that. I
21 think and they're slightly different in each of those
22 programs. In general in homeownership, we are trying
23 to keep sales prices affordable, right? And so,
24 you're limiting the amount of kind of sales proceeds
25 that can come into finance the construction. Which

1 means that – and there are limited other sources.

2 So, unlike in the rental program area where you know
3 when we finance new rental housing, we have the
4 availability of low-income housing tax credits. In
5 homeownership programs, we don't have the same types
6 of tools.
7

8 The state recently did commit some funding to
9 support affordable homeownership and we're starting
10 to try to figure out how we can bring that in to some
11 of the work that we do in New York City but that's
12 still you know a limited pot of public funding that's
13 available.

14 The other thing is that we're also trying to keep
15 maintenance affordable for households and by doing
16 that unlike in rental housing where we can set
17 different tiers of affordability and you might get to
18 a blend overall that you know provides housing for
19 extremely low-income New Yorkers, very low-income New
20 Yorkers, low income and some moderate and overall,
21 the affordability may be you know comparable to what
22 we're doing in the homeownership space. We are able
23 to have some higher rents in those projects or cross
24 subsidized and get to the lower affordability.
25

1 In homeownership, in a cooperative, particularly
2 we have to set maintenance the same level for every
3 shareholder. And so, we're setting it basically just
4 to cover expenses because we want to make sure that
5 it's as affordable as possible but that means that we
6 can't leverage the same amount of private investment
7 that we do in our rental housing.
8

9 And so, overall there's more reliance on public
10 resources in order to finance these projects than
11 there is on the rental housing side. You know
12 there's a little more nuance when you talk about
13 conversion of an existing rental property to a
14 cooperative lets say. So, all of the factors I just
15 outlined are still relevant but if you're looking at
16 a program like the affordable neighborhood
17 cooperative program, in addition to that, you know
18 the renovation needs in those buildings are really
19 significant and in some cases exceed the cost that
20 we've seen to round up new construction. And we also
21 need to make sure we're relocating residents and
22 giving them the ability to return to their building
23 would add to pretty significant costs.

24 In the Private Site Conversion project, often
25 times you're also trying to finance acquisition

1 costs. So, we've had you know, we've had a couple
2 partners in the last couple years that went out and
3 bought a rental property with the idea of trying to
4 work with residents to convert to cooperative. I
5 think we're really interested in exploring this
6 program model but the challenges that in addition to
7 the issues I just outlined, you also need to cover
8 the acquisition cost. So, that definitely can create
9 some financial challenges.
10

11 CHAIRPERSON SANCHEZ: Thank you. Thank you. So,
12 I mean that all checks out and I want to as we always
13 do right, this Council wants to be a partner in
14 securing more resources. But in particular, also
15 dedicating more. Seeing the city dedicate more
16 resources to these programs and to ownership, right?
17 You said that the Administration would love to do
18 more, that you would love to do more. While we're at
19 the Council continuing to call for that \$4 billion in
20 capital per year, understanding that we you know need
21 to unlock some more flexibility from Albany in order
22 to spend in the ways that we want to, to support co-
23 ops, to support community land trust and things and
24 you know and we'll continue, we'll work with you to
25 try to see the passage of Affordability Plus. But

1
2 we're also going to continue to call for the \$4
3 billion per year that could support many of these
4 goals including homeownership projects.

5 So, I want to turn quickly to DOB and then I'll
6 turn it over to my colleagues before I come back
7 around. DOB, so in September 2019, the New York
8 Times published an in-depth analysis into some of
9 issues that small property owners face when trying to
10 correct DOB issue violations. Partly in response to
11 that, the previous Council enacted Local Law 50 of
12 2022 to provide some relief to these homeowners
13 pursuant to Local Law 50. In August 30th of 2021,
14 DOB started issuing a request for a corrective action
15 rather than oath summonses for one- and two-family
16 homes under certain circumstances.

17 So, part one is just if you could spell out for
18 us, under what circumstances do homeowners receive a
19 corrective action, sorry, a request for a corrective
20 action versus an oath summons. And then, following
21 up on that, pretty narrow in the grand scheme right
22 as you had previous oath violations, things like that
23 and if you have some of the bigger kind of challenges
24 you might not be eligible for a corrective action.

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And so, what supports does DOB offer to folks who have more of the egregious violations?

GUILLERMO PATINO: Chair, thank you for that question. So, the Homeowner Relief Program has been really transformative for small property owners. So, the program applies to one- and two-family homes only. And the way that it works is that if that small property owner hasn't received a violation in the past five years, they're eligible for what's called a request for corrective action, which isn't a traditional violation. So, it's really a notice that there's a violating condition at their property and they have 60 days to address that violating condition. If they don't address within that 60 days, then they're subject to more traditional violations. And I'll also note that in addition to creating the Homeowner Relief Program, Local Law 50 of 2021, also addressed an issue that we had seen, which the New York Times article that you referenced touched on, where property owners are receiving repeated violations for the same violating condition every 60 days. So, the law required DOB to do that every 60 days to follow up with additional violations. So, there were stories of you know small

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2 property owners, one-family homes receiving tens of
3 thousands of dollars, even hundreds of thousands of
4 dollars in violations in some instances. So, that
5 practice has changed and that's really making a huge
6 difference.

7 CHAIRPERSON SANCHEZ: Thank you. So, looking at
8 after the initial 60-day period now, post the
9 implementation of Local Law 50, an owner does not
10 correct the issue. Do they receive a violation now?

11 GUILLERMO PATINO: So, the way that it works is
12 that DOB reinspects. In the event we reinspect and
13 we find out the violating condition has been
14 addressed, then we would close out that issue. We
15 would close out the request for a corrective action.
16 In the event that they haven't corrected the
17 violating condition, then we would issue an oath
18 summons.

19 In many instances, some of the violating
20 conditions that we're seeing are Class 2 or Class 3
21 violations and those are still curable. And as I
22 mentioned in my testimony, we also extended cure
23 periods from 40 days to 60 days. So, they still have
24 an additional opportunity to correct the violating
25 condition even if they do receive an oath summons.

2 CHAIRPERSON SANCHEZ: And can you describe for
3 us, what are some examples of these Class 1, Class 2,
4 or Class 3 violations?

5 GUILLERMO PATINO: Sure, so Class 1 violation
6 would be something more egregious. Maybe some kind
7 of work without a permit or some structural condition
8 that if it's not addressed promptly you know could
9 create hazardous conditions. Class 2, Class 3 could
10 be something like an illegal curb cut, a fence that's
11 too high on the property. Maybe a gutter drain
12 that's not in good condition, so things of that
13 nature. So, some were minor issues.

14 CHAIRPERSON SANCHEZ: Thank you. Thank you. So,
15 Class 1 violations are not eligible for the request
16 for a corrective action, correct?

17 GUILLERMO PATINO: They are eligible.

18 CHAIRPERSON SANCHEZ: They are, okay.

19 GUILLERMO PATINO: Yeah.

20 CHAIRPERSON SANCHEZ: So, Class 1 violations you
21 know work without a permit and the kind of work that
22 is more pricey and expensive for homeowners. What
23 kind of education materials or supports does DOB
24 provide for homeowners to undertake this work?

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Especially if they have you know, started to do it in the wrong way.

GUILLERMO PATINO: So, some of the resources that we launched in recent years that I mentioned in my testimony is the new property owner letters. So, acquainting them with DOB, connecting them with resources. One of the most important resources that we have you know is reminding property owners that they have to pull permits for most types of work that they're going to do in their homes, that they need to hire licensed contractors.

So, we've also established a know your construction professional webpage on our website, where a homeowner can go on and check whether the licensed professional, the professional that they're hiring, whether it be a plumber or an electrician is appropriately licensed, whether they've had a disciplinary history in the past. So, those are some of the most important resources that a homeowner should check before they start a construction project in their home. And we also just launched a new pilot program in Brooklyn Community Court Seven and Ten, it's called The Community Based Inspector Pilot program and we're having dedicated teams of

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inspectors, both construction inspectors, enforcement inspectors, and community engagement staff. We're visiting all permitted sites regardless of size in those community boards. And that program just started on Monday, so this is another way we're approaching homeowners and approaching contractors, reminding them about regulations that they need to comply with and making sure that they you know that they avoid any issues throughout their construction projects.

CHAIRPERSON SANCHEZ: Thank you. That's interesting to hear about. So, can you share some numbers for us, so how many homeowners since the enactment of Local Law 50 have been issued? Request for corrective action, how many were able to correct the condition prior to receiving a violation or sorry, an oath summons? And do you, does DOB consider the program successful?

GUILLERMO PATINO: So, so far we're seeing success in the program but it's only run for one full year so far. So, I think we definitely need to run the program for a bit longer to really measure its success and to determine whether any changes to the program are appropriate but so far, about 6,700 small

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2 properties have been eligible for the program and
3 have received request for corrective action. And
4 we've started the reinspection's on those requests
5 for corrective action. And so far, we've reinspected
6 in 2,200 instances. And in 873 are 40 percent of the
7 reinspection's. We found that the property owner
8 actually did correct the violating condition. In
9 1,119 instances, we had identity in access,
10 identifying that the violating condition was
11 corrected, so we'll be doing reinspection's in those
12 instances as well.

13 CHAIRPERSON SANCHEZ: Got it, so in for the
14 reinspection's where you did gain access, did you
15 notice any kind of trend? Like particular kinds of
16 issues are more difficult for homeowners to resolve?

17 GUILLERMO PATINO: We still have to evaluate that
18 data but we did find that out of the almost 2,200
19 reinspection's that we conducted in 873 instances.
20 The violating condition was corrected, so we didn't
21 take any additional enforcement action. And in that
22 scenario, that homeowner would continue to be
23 eligible for the program in the future.

24 CHAIRPERSON SANCHEZ: Thank you. Thank you so
25 much. Okay, so I'm going to hold my other questions

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for after a round of my colleagues. So, first up, I'm going to give the floor to Council Member Carr.

COUNCIL MEMBER CARR: Thank you so much Chair Sanchez for your leadership of this Committee and this is a great pair to the hearing we had on helping renters last year and I thank the Administration for coming.

You know, I agree with what you said earlier that helping folks with downpayments and closing costs is probably the most efficient and effective way of trying to promote homeownership in the city and I'm glad to hear that your looking to expand eligibility but I'd just like to get some more details about what that might look like. Are you talking about some sort of graduated program where maybe folks aren't eligible for the whole \$100,000 but maybe they'd be eligible for a piece of that? Are you considering offsets for maybe student debt load because I think a lot of times folks maybe do have a good income as individuals or as couples but they're already paying significant debt having you know come out of an undergraduate or graduate institution and that's often what I hear is a combination of existing debt out of college and the fact that they're paying rent

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2 somewhere while they're looking for that home, make
3 it really difficult to accrue the capital they need
4 to qualify for a loan and then pay the housing
5 closing costs. It's not so much the term of the
6 mortgage they're worried about. So, if you could
7 talk about that in a little bit more detail.

8 KIM DARGA: Great questions. So, we provide up
9 to \$100,000 now per household. And that is basically
10 up to 20 percent of the purchased cost. We do
11 require equity and it's a pretty nominal amount,
12 basically one percent. So, you know in a home that
13 costs \$500,000 you do still need to save a portion on
14 your own.

15 You know you've highlighted some of the big
16 challenges in this space, right we're not alone in
17 financing homeownership and lenders have their own
18 requirements. So, our program is more -- all of our
19 homeownership programs are more flexible than you
20 would find within the private market. So, for our
21 Downpayment Assistance program, we have a higher debt
22 to income ratio that we allow. Most lenders look at
23 somewhere between 35 and 45 percent debt to income.
24 For homeowner programs that support existing
25 homeowners, we have similar flexibility. We don't

1 use for home, for example, we don't use that as a
2 barrier to participation but rather as identifying
3 households that might need additional assistance.
4

5 So, unfortunately, we can't control what lenders
6 require. It's just that we do provide more
7 flexibility with regard to our own funding coming
8 into the projects.

9 COUNCIL MEMBER CARR: So, what is the nonfederal
10 contribution for this program as it exists and what
11 would you need to add to go beyond the 80 percent AMI
12 standard?

13 KIM DARGA: I love these questions.

14 COUNCIL MEMBER CARR: And then, well, we have to
15 be able to help you this budget cycle, right? So,
16 that's the other question. My other question is, I
17 love the Open Door program and I understand the focus
18 on new construction but it seems like that this
19 program is a model that could be ported to purchases
20 of existing homes and I think that that's an
21 important thing to consider and trying to help make
22 sure that folks can buy homes and that these homes
23 don't just become you know rental properties and
24 filling the rental vacancy, adding more rental
25 vacancies is important but not necessarily at the

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expense of existing homeownerships. We don't want to take from one pot to give to the other, we just want more all around, right?

KIM DARGA: Isn't that the biggest challenge of all, yeah. How to balance all of these things at the same time. So, there are just in terms of what we need. So, we did have a pretty significant capital infusion. We did increase the amount of home funding that we're committing to downpayment assistance. We are also investing city resources for the first time. Unfortunately, we do have limitations under state law for what we can do and I've talked a little bit with the Committee in the past about some of those challenges but I do want to flag that the senate introduced what was called Affordability Plus but is now the Housing Affordability Resiliency Energy Efficiency Investment Act.

It's quite a mouthful. It is Intro. 2985-A. It does do a lot of things that we need in order to further support homeowners. So, that is absolutely step one. If we don't have the legal authority to do something, we can't do it regardless of the funding, right? So, and let me speak a little bit more specifically about the challenges there. So, we

1 COMMITTEE ON HOUSING AND BUILDINGS 48
2 within our current loan authorities cannot actually
3 support a homeowner in purchasing a home. So, one of
4 the things that we're looking for is the expansion of
5 our current Loan Authority, which is Article 8B that
6 supports homeowners to allow homeowner to buy a one
7 to four family home, condo, or cooperative unit.

8 In addition, there are caps in how much financial
9 assistance that we can provide to homeowners under
10 our loan authority that would allow us to use city
11 funds to do those things. Right now, the cap is
12 \$60,000 per unit. So, if we are going to actually
13 use the city funds to expand who we're serving and to
14 provide this type of support, we do need the state
15 legislature to actually move that forward. And we've
16 had some good conversations with the legislature and
17 we are fairly hopeful but the more folks they hear
18 from the better, I think.

19 And we have similar challenges with regard to
20 existing homeowners. We do have authority today to
21 support existing homeowners. We do through Home Fix;
22 we've been doing it for decades but we also have some
23 pretty substantial limitations. We have been trying
24 to specifically in this day and age, help homeowners
25 address energy efficiency issues, resiliency issues,

1 help them install solar. It's a win, win, reduce
2 your costs, right? Do something for the common good.
3 And the authority that we have is limited to
4 addressing conditions of blight today. So, we can
5 help somebody do a roof replacement but we can't
6 necessarily help with all these other things and so,
7 one of the critical things that we're looking for is
8 more flexibility, so we can help owners address the
9 range of challenges that they're facing.
10

11 Similarly, we have caps. I think we you know, we
12 were uhm, we had a hearing a couple months ago about
13 ADU's and basements and we talked about the fact that
14 60,000 a unit doesn't come close to addressing
15 conversion related costs. It doesn't really address
16 renovation costs for many homeowners today. We've
17 seen extreme costs escalation. Hard costs have gone
18 up approximately 30 percent over the last couple
19 years. And so, \$60,000 in statute from a couple
20 decades ago is not the same thing as what \$60,000 is
21 today.

22 So, we need the authority itself to change and
23 then you know we have been investing additional both
24 capital and expense funding into homeownership
25 initiatives. If we look at the investment over the

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last – five years ago, if you looked at homeownership budgets from HPD, it was very negligible. We have been gradually building additional support and that’s on a range of – uhm, in a range of ways, right? From technical and financial assistance through the help desk, right? Sometimes people don’t need a loan, right? They’re just trying to navigate some issues, some complicated issues to financial assistance for existing homeowners to downpayment assistance to help new homeowners come into the market.

So, I think as we build the capacity of these programs, we’re constantly evaluating to figure out what else we need to do and we’re talking with our partners, like the Center for New York City neighborhoods about challenges that they’re hearing about directly and certainly taking feedback from all of you on like, what else is going on that we need to address? So, we’re very open to continuing that dialog.

COUNCIL MEMBER CARR: Thank you.

CHAIRPERSON SANCHEZ: Thank you. Thank you so much Council Member Carr. I’m now going to turn it to Council Member Hudson.

2 COUNCIL MEMBER HUDSON: Thank you so much Chair.
3 I have a short set of questions for each agency. So,
4 I'll start with DOB just to continue the line of
5 questioning that the Chair had. You mentioned 2,200
6 folks with regards to the Homeowner Relief program, I
7 believe? I just wanted to clarify; how many people
8 have been served by the Homeowner Relief program?

9 GUILLERMO PATINO: So, the total served was
10 6,726.

11 COUNCIL MEMBER HUDSON: Oh, thank you. 6,726?

12 GUILLERMO PATINO: Yeah.

13 COUNCIL MEMBER HUDSON: For what timeframe?

14 GUILLERMO PATINO: So, the program launched in
15 late 2021. I believe it was August 2021.

16 COUNCIL MEMBER HUDSON: Okay.

17 GUILLERMO PATINO: So, the 2,200 figure you
18 referred to was the number of reinspection's we've
19 conducted so far.

20 COUNCIL MEMBER HUDSON: Got it, thank you. And
21 uhm, do you have demographic or geographic data on
22 those, the 6,700 folks that have been served?

23 GUILLERMO PATINO: I don't have it with me today
24 but I can follow-up with you.

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2 COUNCIL MEMBER HUDSON: Okay, that would be
3 great, thank you. And then moving on to HPD. I am
4 really interested in the TIL program. I have a
5 building in my district. I know there are many more
6 in Manhattan. But I have a building in my district
7 that was part of the original TIL program. And so,
8 I'm wondering, how many buildings are currently in
9 the TIL program? Or I should say, how many buildings
10 were originally part of the original TIL program that
11 are still today that haven't been moved or
12 transferred?

13 KIM DARGA: Okay, so I will get started and the
14 Xio, if you wouldn't mind jumping in, that would be
15 great. So, there are currently a small number of
16 buildings that remain in the Tenant Interim Lease
17 program, which is for us today, the program in city
18 ownership where we net lease the buildings to the
19 tenant associations in preparation for doing
20 renovations and ultimately getting to a cooperative
21 conversion.

22 There are 78 I believe buildings remaining in the
23 Tenant Interim Lease program and of those, I think
24 just under 50 percent are in the predevelopment
25 process right now to move forward with renovations

1
2 and conversion to cooperative. The remaining group
3 of buildings, uhm, we are hoping to do pre- as you've
4 - we've talked about before, some staffing challenges
5 the last couple years. We're hiring right now for
6 somebody to help us with engagement with the
7 residents and once we have the additional support, we
8 intend to work with the remaining buildings as well.

9 COUNCIL MEMBER HUDSON: So, just to clarify, the
10 roughly 50 percent that you mentioned are in the
11 predevelopment phase. That's for the TIL program?

12 KIM DARGA: That is for our Affordable
13 Neighborhood Cooperative program.

14 COUNCIL MEMBER HUDSON: ANCP, that's what I
15 thought.

16 KIM DARGA: Which is a program that finances the
17 renovations of those buildings and facilitates the
18 conversion to HDFC cooperative.

19 COUNCIL MEMBER HUDSON: So, how much would it
20 cost to keep the 78 buildings in the original TIL
21 programs specifically? So, not ANCP but TIL.

22 KIM DARGA: To do what specifically?

23 COUNCIL MEMBER HUDSON: To continue through the
24 same thing, rehab, renovation, and then cooperative

1 ownership but through the original contracts that the
2 tenants sign.
3

4 KIM DARGA: Okay. So, we, the TIL Development
5 Program ended in 2006.

6 COUNCIL MEMBER HUDSON: Right.

7 KIM DARGA: So, I can't quite answer that
8 question but I can talk about the costs that we're
9 seeing today and in renovating these buildings and
10 getting them to cooperative conversion.

11 COUNCIL MEMBER HUDSON: That'll suffice. I guess
12 the point that I'm trying to get at is you know
13 tenants who were in the original and that's why I
14 keep referring to it as the original TIL program. I
15 know that it's not currently what the city does today
16 but from the tenant perspective, they signed a
17 contract. They were promised a process that is not
18 being honored currently. And so, I'm just trying to
19 get at you know, if that contract, that original
20 contract were to actually be honored, what's that
21 cost versus the cost of the current ANCP program or
22 ANC program.

23 KIM DARGA: Okay, thank you for clarifying that.
24 So, first, I'm going to turn it over to Xiomara to
25 talk a little bit about the cost that we see today

1 and some of the challenges, so we'll get to that but
2 first, I just want to say that the TIL Development
3 program that started decades ago, changed over years,
4 right? So, when we talk about the TIL Development
5 program, there seems to be a sense that it was one
6 thing but even when that program existed before 2006,
7 it did change over time. Initially, it was a program
8 where the city conveyed properties essentially as is.
9 Residents invested sweat equity, did repairs on their
10 own. Over a period of time, the city started to do
11 some renovations in city ownership and then conveyed
12 the property. And by 2006, the amount of renovation
13 needed became really a big challenges for financing
14 those buildings.
15

16 So, I'm going to turn it over to Xiomara to talk
17 about what we see today in terms of the financial
18 needs of the buildings and some of the challenges
19 associated with the model that existed then and why
20 we structure it the way we do now.

21 COUNCIL MEMBER HUDSON: Thank you.

22 XIOMARA PEDRAZA: Yeah, so uhm as Kim Darga was
23 saying, when TIL first started it was a much smoother
24 process of transferring the building as is. And then
25 overtime, the buildings that were in city ownership

1 that were entering TIL had substantial renovations
2 which grew and grew to a point where the old model
3 just no longer worked because it wasn't structured or
4 meant to deal with that level of rehab. And so, that
5 why the TIL program stopped in 2006 and at that time,
6 we worked with then City Council to structure a new
7 model that would be able to substantially rehab these
8 buildings, get folks back into their buildings and
9 convert to cooperative which became ANCP and we
10 launched in 2012.

12 We're now seeing costs a half a million dollars
13 per unit in terms of city capital subsidy that we're
14 investing, which is much more than what was invested
15 in the past. We created ANCP to address some of the
16 issues that we saw in the original TIL program where
17 we're actually setting up building reserves so that
18 the HDFC Cooperative will have like an emergency fund
19 if something goes wrong. They have a cooperative
20 monitor who provides technical education or training
21 assistance and also helps them ensure that they are
22 complying with the HPD Regulatory Agreement. They
23 also have a third-party property manager who helps
24 maintain the folks and make sure that all of the
25 building expenses are paid for. And we're able to

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put our city capital but then also leverage some, a small portion of private debt to help pay for the renovations.

COUNCIL MEMBER HUDSON: Okay. Uhm, I just want to you know sort of state for the record that the sentiment I think that a lot of the residents in the TIL buildings have, which I'm sure is not unfamiliar to you all. Is that you know a contract and a promise quite frankly was made to them to proceed you know down a particular path and you know decades later, we've got folks who are still living in these buildings that are in disrepair that have not been brought up to code that are hazardous, and they have no real promise of homeownership. The homeownership, the type of homeownership at the specific costs they were originally promised you know today. And so, it's just, it's frustrating and disappointing. You know for me, the building that's in my district is, I can't remember specifically but I want to say it's around 10 or 11 units in the building, which would be roughly a \$5 million cost. That sounds like what you know based on the numbers you're giving and that is a very, very small investment. In the future, for all of these families, for generational wealth and you

1 know and also to have the safe and habitable living
2 conditions in homes that we all deserve. And so, you
3 know through this hearing and I'm sure many other
4 questions that other folks will ask and perhaps
5 future hearings, I think the goal is just trying to
6 get at you know how can we actually try to find a way
7 to honor some of those original contracts so that
8 folks can have the homes that they were once promised
9 so long ago, so thank you.

11 KIM DARGA: I want to follow up on that. So, I
12 think there's a mis- I don't know, a misunderstanding
13 about the intent. So, our goal remains the same,
14 right? We are investing and committed to investing
15 significant resource in order to support these
16 residents and achieving the original intent of the
17 program, which is to become HDFC cooperatives and
18 shareholders in HDFC cooperatives.

19 So, that commitment remains and that's why we
20 invest more resources here on a per home basis than
21 any other program that we administer in the Office of
22 Development. You know the cost here like I said, are
23 equivalent or in some cases higher than what we are
24 seeing in new construction, both on a total
25 development cost perspective but also on a subsidy

1 basis. These are absolutely higher. This is twice
2 as expensive as what the capital costs are to create
3 new affordable homeownership. So, we are 100 percent
4 with you and the residents that we end that
5 commitment. And so, I don't to be honest, I
6 understand the frustration. It's been decades. It's
7 insane, right? There is no justification that I can
8 give for that but we are 100 percent committed to
9 moving these buildings forward to have the
10 renovations that people have been waiting for for a
11 very longtime, and we are 100 percent committed to
12 working with these residents to become cooperative
13 shareholders.
14

15 And so, we are happy to sit down with residents
16 and with you, you and the residents together to have
17 that conversation because I think there's maybe some
18 misunderstanding about what we are committed to and
19 what we hope to achieve in these buildings.

20 CHAIRPERSON HUDSON: Chair, can I just respond
21 briefly? Thank you for that. I mean it's good to
22 know and hear you know officially the sentiment. I
23 think the word intent is you know; I get it and I
24 hear you and I appreciate that. I think the reality
25 though for the residents is that the cost that they

1 would have to bear, you know mortgage costs and all
2 of that. And I get that you know, things change,
3 markets change, like it's different. We're living in
4 a different world today than we were 20, 30 years
5 ago.
6

7 But the fact remains that you know, they signed
8 the contract 20 or 30 years ago and it's not that
9 contract that's being offered to them now. The
10 residents in my district have actually sued, so I
11 don't know that we can make arrangements to sit down.
12 We'd have to check in with the City Law Department
13 but you know and it's unfortunate to that they've had
14 to go that route to just have the original contract
15 honored. I hope there is though an opportunity for
16 all of the other you know 77 buildings that are in
17 the program across the city to have more you know
18 honest and transparent conversations about what the
19 program is and what it means because you know, just
20 again, I think the sentiment really is that what's
21 being offered today is not what they were promised
22 yesterday. And that's what we have to sort of
23 contend with so but thank you and thank you Chair.

24 KIM DARGA: Thank you.
25

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2 CHAIRPERSON SANCHEZ: Thank you. Thank you so
3 much Council Member Hudson and I want to echo those
4 sentiments. I mean, one of the – you know I hear you
5 talking about the end of the original TIL program in
6 2006. Realities change, things got more expensive,
7 buildings got deeper into disrepair but one of the
8 ongoing criticisms and it seems fair from where I sit
9 that the TIL residents have been making is that, if
10 they go through the ANCP program and a private
11 developer gets involved and you know in order to
12 finance the repairs, they'll have some assistance
13 from HPD but they'll also have to take on private
14 debt and financing and that will in turn come back to
15 the residents in the form of higher maintenance fees,
16 higher maintenance costs. You know, how has HPD been
17 responsive to that particular concern, right?

18 Because it's not necessarily about the name or the
19 title or anything. It's about like the basics. They
20 are concerned about how much they will pay and how
21 has HPD responded to that?

22 KIM DARGA: Yeah, I really think that's the heart
23 of where the confusion is coming from. And you know,
24 that may be a failure on our end to be able to
25 explain this adequately to residents and that's where

1 I do think the direct conversations are really
2 important. To sit down and look at the budget and go
3 through and answer all of those questions. So, maybe
4 I can talk a little bit and then Xio again, I
5 appreciate if you want to step in here.

6 The maintenance that we set in the ANCP buildings
7 that we are financing now is approximately 40 percent
8 of area median income, and we set it basically to
9 cover operating expenses. You know, in our rental
10 housing, the average affordability is above that.
11 Operating costs are through the roof. We've had
12 basically at least a 24 percent increase in operating
13 costs in the buildings that we see like in our
14 Affordable Housing portfolio over the last couple
15 years. Insurance is a major driver. That's not
16 something that we can control, right?

17 So, setting at 40 percent AMI is essentially, uhm
18 is as low as we can go to cover expenses and a small
19 amount of private debt and that private debt is a
20 critical resource because there are costs associated
21 with renovating and financing these buildings that
22 are not capitally eligible. So, we have \$92 million
23 in the budget this year for ANCP. I think we have
24 \$590 million longer term in the budget. So, it is
25

1 you know, there's a significant capital investment
2 there but we need other financing sources to come in
3 to address the cost that the city cannot cover. And
4 so, there are two main options. One is, we have
5 private lender come in and cover some of those costs
6 and I think that's where some of the concern is
7 coming from. And then the other option is that we
8 increase sales prices, right? So, if we increase
9 sales prices, you have a source but we're also trying
10 to achieve maximum affordability.
11

12 So, there's some real trade offs intention there.
13 You know we could absolutely sit down with residents
14 and have those conversations and say, look, if you
15 want a little bit less private debt, we could try to
16 increase sales prices a little bit. There's a cap
17 there because the market is only going to support so
18 much. And we also, we want these to be affordable
19 housing, right? We want these to be affordable
20 homeownerships.

21 So Xio, is there anything you would add to that?
22 Because I know this is the heart of the issue.

23 XIOMARA PEDRAZA: Yeah, yeah, I would say like
24 between the majority of the sources are coming from
25 city capital. So, it's really the HPD's subsidy that

1 is the largest piece of debt and that has no debt
2 service payments on it whatsoever. There is in some
3 cases a small amount of per private debt and in some
4 cases, there's not because we have enough sales
5 proceeds to take out that private debt in order to
6 get rid of it but we always set the maintenance as
7 low as possible. We also have Article 11's a full
8 tax exemption, so that's not driving you know
9 operating costs and we provide Section 8 to residents
10 who qualify for Section 8 so that they - nobody in
11 the building is paying over 30 percent of their
12 income in maintenance.
13

14 So, we're trying to use all of the tools in our
15 toolbox to make this successful. We don't want to
16 set this up for failure. We don't want these
17 residents to become shareholders and fail. That's
18 the opposite of what we're trying to do and I think
19 there's some level of education that we just need to
20 be better at communicating and helping folks
21 understand.

22 And I just want to say that we've successfully
23 converted 12 cooperatives. We have 53 that we
24 financed. 41 of those are in construction or are
25 getting to the conversion phase and so, we look

1 forward to working with all of the buildings and
2 tenants that are willing to work with us.

3
4 CHAIRPERSON SANCHEZ: Thank you. Thank you so
5 much Assistant Commissioner. I mean one of – another
6 one of the criticisms have been that you know in some
7 ways, HPD seems to have over time held these
8 buildings hostage, right? As people leave, they
9 weren't tenanted again, and so, part of the
10 operational challenges is that there's so many vacant
11 units in these buildings and so, just wanted to raise
12 that as something that the residents have shared with
13 us.

14 And I'm glad you brought up the you know 13
15 projects that have gone through ANCP and I'm looking
16 at one recently, 107 West 105th Street and looking at
17 the fact that eligible incomes for new folks coming
18 into the building is between \$102,000 and \$158,000
19 for a household right? And so, I think this is just
20 – I understand why you know from what you explained
21 but I think this is case and point why this is scary
22 to households who you know want to make sure that
23 they have this intergenerational wealth opportunity
24 not taken from them, you know maintain for their
25 family but also you know, it draws questions about

1 whether this program can support future affordable
2 homeownership right, because these incomes are much
3 higher than what we see in the households. And so,
4 just to call it out and to name it, you know one
5 proposal out there has been to take the capital funds
6 that are dedicated to ANCP. So, you just mentioned
7 \$92 million and rededicate that to a version of the
8 original TIL program. Can you help us understand
9 what would that look like and what is the gap?
10

11 KIM DARGA: So, we mentioned a few minutes ago
12 that there are some costs that we can't use capital
13 to fund right? And Xio, maybe you can go through
14 some of those. One of the biggest concerns I have is
15 that one of the big costs is having these buildings
16 have reserves from day one as I mentioned. The
17 operating costs went up 24 - 22, 24 percent in the
18 last couple years.

19 There is no building that anticipated that and
20 what we have learned in structuring co-ops for 40
21 years now and seeing what has worked and what hasn't
22 worked so well, is that we need to make sure that
23 we're setting these buildings up for success to have
24 adequate resources from day one. Reserves are not
25 capitally eligible, so that's one example. Xio can

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2 go through some of the other ones but you know in
3 order to do something like fund the renovations in
4 city ownership now, we would have to eliminate other
5 aspects of the program that have allowed us to
6 structure successful co-ops more recently. Some of
7 the earliest co-ops that were created through TIL
8 program have really struggled.

9 Some of them are successful right? I think
10 something like 37 percent have really significant
11 financial and fiscal issues at this point and time,
12 so we don't want more than one in three of the
13 buildings that we finance and we want to be
14 affordable, good, homeownership opportunities long
15 term to fail, right? We want to make sure we're
16 setting up for success. So, Xio, do you want to talk
17 about some of the other potential challenges?

18 XIOMARA PEDRAZA: Yeah, so in terms of capital
19 eligibility, some of the other items that aren't
20 eligible are the marketing of the units in order to
21 get sales proceeds into the project. So, marketing
22 is not capitally eligible. The cost to convert to
23 cooperative in the budget is not capitally eligible.
24 Legal costs are not capitally eligible and as well as
25 the cooperative training is not eligible either. And

1 we can send a full list of items and how much that,
2 in terms of the development budget, how much of a
3 percentage that is, it looks like but it's a lot of
4 the soft costs. Our capital mainly goes to cover the
5 hard costs, the relocation costs for the tenants and
6 anything having directly to do with the construction
7 work. And everything outside of that is really not
8 capitally eligible unfortunately.

10 KIM DARGA: The other thing I would just say is
11 like you know, if we did that we don't have the
12 infrastructure today to deploy money through city
13 ownership to do this work. And I don't to be honest,
14 I'm not sure what it would take. I know in some of
15 the other programs that we administer when we're
16 doing it directly, we have to have contracts in place
17 going through a procurement process and getting those
18 contracts set up takes a long time. So, if we were
19 serious about that and one of my concerns is that a
20 pivot to do that at this point, not only raises
21 challenges about addressing some of these costs
22 within projects but also result in pretty significant
23 delays in moving those projects forward.

24 And I don't want - we don't want anymore delays.
25 So, I think it would be most beneficial to talk about

1
2 what the concerns are about the current program and
3 if there are ways that we can address those concerns,
4 so that we don't have to stop and create a new
5 program all over again and create the structures all
6 over again, right? Because the cost of these
7 buildings now are significantly different, so I don't
8 know if we dusted off the programs in the early
9 2000's whether we could actually do it the same way
10 anymore.

11 CHAIRPERSON SANCHEZ: Great and I really do want
12 to turn it back to my colleagues but there is just
13 you know a flag there. You mentioned some capitally,
14 not capitally eligi- I don't know how to say that.
15 Not capitally eligible costs but a lot of these soft
16 costs that you have mentioned used to be capitally
17 eligible. I don't know how to say that right.

18 What has changed and how do we expand
19 eligibility? And this is according to some of the
20 advocates who have been in development for a while.

21 KIM DARGA: Yeah, I don't understand. Like, I
22 honestly, we can't fund those costs with capital and
23 this is an issue.

24 CHAIRPERSON SANCHEZ: Why?
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COMMITTEE ON HOUSING AND BUILDINGS

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KIM DARGA: It's an issue of so, when we use capital where the city is issuing bonds, it needs to be for capital asset. Those costs are not a capital asset, right? So, this is - it's fairly technical. You know there's legal interpretation, maybe it's some interpretation issue that has changed over time. But directive ten dictates use of city capital funds and basically the city's bond council determines what we can use capital for. This is not unique to HPD. This is you know a really capital eligibility larger question.

CHAIRPERSON SANCHEZ: Okay, well thank you. Thank you for that. Now, I want to turn it over to Council Member Dinowitz.

COUNCIL MEMBER DINOWITZ: Thanks Chair Sanchez. Good morning everyone. Thank you Deputy Commissioner. First, I just want to thank you. I know my office has been meeting with HPD a number of times in particular, about two Mitchell-Lama's in my district. I know you sent representatives and we've spoken about getting some of our residents on SCRIE and DRIE. I don't know where you are in that process but I certainly thank you for meeting with us.

1 Look, I grew up on Mitchell-Lama housing and it
2 was certainly a great benefit for my family having
3 had that. You know knowing my father grew up in
4 NYCHA housing. I grew up in Mitchell-Lama housing.
5 Really just incredible programs that you know allow a
6 pathway to the middle class. And I was – it's really
7 hard to hear you speak about preserving low to
8 moderate income housing, trying to keep maintenance
9 affordable. But then, we also know the reality in
10 our districts and I'm just wondering what do you
11 consider affordable?
12

13 KIM DARGA: Great question. So, we define
14 affordable basically as a household that is paying
15 less than 30 percent of their income toward housing
16 costs. That's a definition that's used nationally.
17 So, that's ultimately we would like to see. We don't
18 want to see households rent or maintenance burdened.
19 Unfortunately, there are huge number of New Yorkers
20 that are rent burdened or severely rent burdened.

21 COUNCIL MEMBER DINOWITZ: Yeah and now I think
22 because of some of these rent increases, Mitchell-
23 Lama renters or shareholders are going make a greater
24 percentage of those who are rent burdened. And while
25 I hear you saying you're trying to keep maintenance

2 affordable; rent is going to increase 22 percent in
3 one of the Mitchell-Lama's. And you know on this
4 maintenance thing when I just heard 50 percent
5 increase.

6 KIM DARGA: Yeah, I mean, go ahead sorry.

7 COUNCIL MEMBER DINOWITZ: No please, please give
8 me your answer.

9 KIM DARGA: I wish I had — yeah.

10 COUNCIL MEMBER DINOWITZ: How you're not going to
11 increase their maintenance 50 percent.

12 KIM DARGA: Yeah, I have to say, this is what
13 keeps me up at night. If somebody asks me what keeps
14 me up at night and I'm sure many other people in this
15 city, uhm, you know that are struggling to make ends
16 meet and building owners that are struggling to pay
17 bills right now.

18 We have basically as I mentioned, there's been a
19 huge escalation of costs in the last couple years.
20 Insurance has gone through the roof and that in
21 itself is probably worth looking really closely at.
22 But operating cost overall, like going up 12 percent
23 one year, another 12 percent the next year. We
24 haven't seen this happen in decades.

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COUNCIL MEMBER DINOWITZ: And I'm sorry, this is I guess what I don't really understand and by the way, I appreciate your empathy about what keeps you up at night but what's keeping my residents up at night is you know no heat and no hot water right? You know living conditions and you know the quality of the building that Council Member Hudson actually articulated well that they're not being maintained but let's just stick with uhm, the rent. What I'm hearing you say, trying to keep maintenance affordable but I'm also kind of hearing you say well, I can't do anything about it, you're throwing your hands up in the air and that's what it seems like. Because what I'm hearing is well, insurance costs are going up. What steps is HPD taking to negotiate with insurance providers or leverage your entire agency to lower insurance costs.

KIM DARGA: Well, so, the insurance industry is not something that HPD alone can control but let me, let me, I hear what you're saying. Let me try to get to the issue. So, what we try to do in the housing within our portfolios including the Mitchell-Lama housing and HDFC cooperatives and Affordable Rental Housing, where we are seeing this incredible cost

1 escalation along with interest rates that are
2 significantly higher. These are unprecedented
3 interest rate rises. The fed is likely going to
4 increase rates again today. What we are doing is
5 basically trying to offer the assistance that we have
6 available to keep expenses as low as possible. So,
7 in the case of a lot of our housing, we can offer
8 property tax exemptions if there's not a full
9 exemption today. I honestly wish we had J51 because
10 many Mitchell-Lama's in the past were able to use J51
11 to reduce their property tax liability. And right
12 now, it doesn't really exist at the state level.

14 In addition to that, we're offering rental
15 assistance everywhere we can. So, we you know -

16 COUNCIL MEMBER DINOWITZ: So, just to clarify,
17 it's your offering the rental assistance or is the
18 Department of Finance offering rental assistance in
19 the form of SCRIE injury.

20 KIM DARGA: Yes, there's different forms. So,
21 there is certainly SCRIE and DRIE. There's also
22 Section 8. And so, where we can, we are offering
23 rental assistance and using federal resources where
24 we can to cover the cost and minimizing the increase
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that shareholders or renters have to absorb on their own.

COUNCIL MEMBER DINOWITZ: So, you know as I appreciate leveraging all the available tools, you know especially federal dollars. You know, I do appreciate that but I don't get the feeling that HPD is doing everything they can to actually hit at the costs, like the insurance costs, which are going up significantly as mentioned. Especially from Mitchell-Lama's and the sense I get every time I hear from HPD whether it's hearings like this or in more private meetings, is just, well that's the insurance cost. And I'm, I mean, tell me if I'm wrong, you're saying that there's nothing HPD can do to negotiate better insurance costs, policy proposals that we can address here in the Council to actually get at the heart of what's increasing costs for so many of our Mitchell-Lama and so many of our tenants.

KIM DARGA: Yeah, I mean, I think it's a worthwhile conversation. So, I'm not an expert on insurance, I know there are folks in the agency and within the administration that have been talking with others about how to get a handle on it. You know, so I can't speak to the complication around insurance

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specifically but there are folks that are taking that issue very, very seriously and I would rather follow up with them to address that specific issue.

COUNCIL MEMBER DINOWITZ: Yeah, I would love an update on that because it's been you know, we've all the elected officials for Tracy Towers have reached out since I think well before last year you know Cannon Heights has been an issue for since before last year, we've been reaching out about this and we've gotten no significant answer, meaningful answer about what's happening with insurance.

As I said, I want to acknowledge we've have gotten help and support an offer for those existing programs of other agencies have like SCRIE and DRIE. Not to take anything away from that work but if those conversations are happening, they should be happening more quickly and in consultation with people represent Mitchell-Lama shareholders and tenants and the residents who are actually effected. Again, I'm happy to show you this maintenance bill I have right here. Fifty percent increase in their maintenance is just astounding. I mean, people are apoplectic about a five percent increase in the rent guidelines.

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Fifty percent is going to knock people out of their homes and that's unacceptable.

And if there are steps we can take to keep them in their homes, we have to work together to keep them in their homes and I just haven't had - that conversation has not happened and that is extremely disappointing and unacceptable.

KIM DARGA: Okay, so I'm happy to take some of the concerns back to my colleagues and I do want to reiterate, this is - I've been working to do housing preservation work at the agency for 15 years, 16 years now and there's - this is unprecedented. I hear everything you're saying. I will take it back. We take this very seriously. I've never seen anything like this and it is impacting our overall housing stock at this point and time. Rent stabilized housing, affordable housing, Mitchell-Lama housing, HDFC Cooperatives. This is probably the biggest issue that we have to grapple with in the coming years.

CHAIRPERSON SANCHEZ: Thank you.

COUNCIL MEMBER DINOWITZ: Thank you Chair. Thank you Deputy Commissioner.

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2 CHAIRPERSON SANCHEZ: Yeah and I just want to
3 echo your sentiments Council Member Dinowitz. We
4 can't be taken seriously and talking about how we
5 want to increase homeownership across the City of New
6 York if we're not protecting what we have. And you
7 know that relationship that you just highlighted that
8 is not just happening in Mitchell Lama buildings but
9 these insurance costs are skyrocketing across the
10 City of New York is a very serious one and one that I
11 have at least anecdotally from certain owners have
12 heard that, you know can be actually a modern-day
13 version of redlining where certain communities are
14 facing much higher insurance costs, especially in
15 parts of the Bronx. And you know we just have to
16 join together and address this issue. So, thank you
17 so much Council Member Dinowitz.

18 So, now I want to turn it over to Council Member
19 Brooks-Powers and then it's going to be Council
20 Member Brooks-Powers, Feliz, and Williams.

21 COUNCIL MEMBER BROOKS-POWERS: Thank you so
22 much. Thank you for your testimony. First, I just
23 want to build on uhm, comments from my colleague
24 Council Member Dinowitz in terms of SCRIE. There's a
25 property in my district, Ocean Park in Rockaway,

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where a lot of the seniors have been having challenges with the SCRIE program, as well as the rent going up in that development and so, I'd like to be able to talk to you offline to see if we can get some support for them there.

I also want to jump into some questions around the bill that I'm the prime sponsor on, Intro. 384 and in relation to the homeowner advocate office, what tools does HPD currently have to receive comments and complaints from homeowners and also what outreach if any, does HPD conduct to provide information to homeowners?

KIM DARGA: I left my mic off. Uhm, we're happy to talk about the property that raised first and foremost. Uhm, the heart of the issue; very difficult. Uhm, I do want to, so in terms of the bill that you introduced, we during the recession, a little over a decade ago, we worked with, there are many different organizations in New York City that provide support for homeowners and it was a fragmented set of folks trying to manage a lot of challenges.

So, we and we still have similar issues, but we are fortunate today to have the Center for New York

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City Neighborhoods in New York City, which was created to help create one organization that could help basically address homeowner concerns and help them identify appropriate resources.

We 100 percent support making sure that there is clear information for homeowners about where to go and there is somebody that helped them navigate resources. So, we are with you 100 percent in the intent. I do want to clarify that the way that we have organized this over the last decade, is that we work with the center and their affiliate partners to basically be the portal where a homeowner can call, ask questions, get guidance. We are trying to at this point and time supplement some of the resources that have existed over the last decade through the homeowner hub that the center has administered by expanding support through the homeowner help desk.

So, I'm going to turn it over to my colleague Michael Sandler to talk in a little more specificity.

COUNCIL MEMBER BROOKS-POWERS: Just clarification, this hub that you speak of, is it an external independent organization that was created by HPD?

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KIM DARGA: So, we actually, the city basically worked to create the center for New York Neighborhoods and we still have; our Commissioner sits on their board. Actually, the President of HDC also sits on the board for the Center for New York City Neighborhoods and we fund the Center for New York City Neighborhoods in providing a range of services and support.

So, they essentially are the organization we've designated to be the hub, right? To take phone calls, to help triage to get a homeowner if they need legal services support, they are referred to legal services, affiliate, a partner entity. If they need financial support, they will direct them. Let's say they need support for renovations, they'll direct them to Home Fix as the program. So, they are our navigator and entity that helps point folks in the right direction.

COUNCIL MEMBER BROOKS-POWERS: And what oversight does HPD have for them, since it's technically an independent organization? Being on the board, like does the city serve as like the Chair? What is the authority over that organization?

2 KIM DARGA: Yeah, so we do sit on the board. So,
3 like any board member, we have oversight. In
4 addition to that, we oversee the contracts. So, we
5 basically contract with them to do ongoing support
6 and I'm going to turn it to my colleague Michael
7 Sandler to talk more about that.

8 MICHAEL SANDLER: Yeah, so as Deputy Commissioner
9 Darga mentioned, HPD in partnership with the City
10 Council fund the Homeowner Hub. The Homeowner Hub is
11 essentially a telephone hotline. It's accessed
12 through 311. It is a one-stop portal for homeowners
13 that have complaints, challenges, to seek resolution.
14 Homeowners can access and help through 311 or calling
15 1-866-HOME-456 and through the hub they're connected
16 to kind of the relevant services that they need,
17 whether that be financial counseling, whether that be
18 an assistance program that HPD operates or a housing
19 counselor in their home community. This work is
20 supplemented additionally with funding and we're
21 expanding this funding for a homeowner help desk,
22 which adds wrap around services to that hotline. So,
23 a citywide marketing campaign to get the word out. A
24 single brand for the city's homeownership assistance
25 programs that's operated through the Center for New

2 York City and their network of 31 partner
3 organizations –

4 COUNCIL MEMBER BROOKS-POWERS: But what's the
5 outreach that happens to like homeowners to know
6 about it? Because for example, I'm a homeowner and I
7 have not heard about this before.

8 MICHAEL SANDLER: That's a great question and so,
9 through two recent pilot programs, the first in East
10 New York in 2017 and then in 2021 and 2022 in Central
11 Brooklyn, Southeast Queens and the North Bronx, we
12 piloted this homeowner help desk program, which
13 formed coalitions of the homeownership organizations
14 in those geographies and had a direct outreach and
15 marketing campaign. So, that was flyers, door tags,
16 community events, radio ads, bus ads in those
17 districts.

18 COUNCIL MEMBER BROOKS-POWERS: I live in the
19 Southeast Queens, I'm sorry I've never seen it.
20 Really quickly and Chair, I'm sorry, if I could just
21 ask another question if that's okay?

22 This legislation includes referrals and
23 prevention for scam prevention. As you know, one
24 issue across the city for homeowners is defraud.
25 We've especially been seeing an increase in that in

1 Southeast Queens in particular. What is HPD's role
2 in educating homeowners on defraud? What can HPD do
3 to help homeowners who are victims of defraud? How
4 does HPD work with the Department of Finance in this
5 space? And then my last, last question is, does the
6 Administration support this legislation?
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8 KIM DARGA: So, just really quickly, I think
9 you're comment about you haven't heard. That's an
10 issue. I would love to talk more about that and how
11 we can make sure that that resource is known widely.
12 We have done a lot of outreach but there's probably a
13 lot more that we could do, so we should sit down and
14 talk about it.

15 COUNCIL MEMBER BROOKS-POWERS: Well, that's why I
16 asked the question earlier, which you guys didn't
17 answer in terms of what outreach is being done? Like
18 what groups are you working with in these
19 communities? Like, how are you working from the
20 grassroots level in the communities?

21 KIM DARGA: So, we actually, the partner has a
22 number of affiliates. Basically, there's more than
23 two dozen that are locally based, community-based
24 organizations that they basically work with to have
25 this coordinated effort.

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2 COUNCIL MEMBER BROOKS-POWERS: Can I get a copy
3 of the list for Southeast Queens and Rockaway?

4 KIM DARGA: Absolutely. Uhm, we will send that
5 to you. Uhm, so we're also, I mentioned earlier, we
6 are funding for the first time, Homeowner Help Desk
7 that will supplement basically this call center that
8 the center has had that will provide additional
9 support and that will include additional support for
10 outreach and engagement. So, I think we should talk
11 more about how to make sure that we're collaborating
12 including with any community-based organizations that
13 you may think could help to get the word out to
14 folks. So, I know you had another set of questions.

15 COUNCIL MEMBER BROOKS-POWERS: Defraud.

16 KIM DARGA: Yes, defraud, thank you. I'll turn
17 it over to Michael Sandler.

18 MICHAEL SANDLER: Yeah, those were great
19 questions about defraud scams, detheft. These are
20 major issues facing homeowners in New York City
21 especially in communities like yours, communities of
22 color, especially Southeast Queens, Central Brooklyn
23 and the North Bronx where we're seeing the highest
24 rates of these types of activities. Homeowners that
25 we work with in these neighborhoods tell us about

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2 inundated with scams, with solicitations, and finding
3 trouble knowing sort of which of these things are
4 real. Through the recent iteration of the Homeowner
5 Help Desk, the pilot that we had last year and now
6 the new citywide program are a partner in that
7 effort, was the Attorney General's Office and it had
8 a huge focus on detheft and scam prevention. The key
9 message to homeowners that we reached through that
10 program was to protect your home and protect your
11 assets.

12 So, the new, the expanded program will continue
13 to focus on detheft and scam prevention and that will
14 include homeowner and community education about the
15 signs of scams. State planning had to take action
16 including legal services and scammers often target
17 homeowners that are in foreclosure or behind on their
18 mortgages and so, kind of addressing those root
19 underlying distress that homeowners are facing is the
20 best way to protect against defraud and scams. We
21 also created a recent homeowner handbook through the
22 help desk and happy to work with your office to
23 distribute as many copies as we can to homeowners in
24 your community.

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2 COUNCIL MEMBER BROOKS-POWERS: Please ship me box
3 please.

4 MICHAEL SANDLER: Yeah, and it includes a whole
5 section on the signs of scams and what to look out
6 for to prevent that. I'll note one other resource
7 that we've been working with our partners to promote
8 including the Department of Finance, which you
9 mentioned. It's the New York City's Sherriff's
10 Office Notice of Recorded Document program, which
11 allows homeowners to sign up to be notified when any
12 document is recorded against their property on Acris
13 and that allows them to have that early warning sign,
14 immediately when it happens so that they're trying to
15 remedy a situation when it's already too late. It's
16 been two years since somehow a scammer has stolen
17 their home through recording a fraudulent document
18 and we've hosted outreach events through the help and
19 also through my team, the Owner Engagement and
20 Advanced team at HPD, we're happy to partner with
21 elected officials like yourself to host more events.
22 We've definitely done some in the Rockaways and would
23 love to work with you to do more of those events, and
24 we can partner with you. Bring them there, make sure
25 folks are aware of this resource.

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COUNCIL MEMBER BROOKS-POWERS: No, I would love to do a joint event. Another scam I've been hearing of, is people have been like reaching out, leaving messages for folks interested in buying the home. But that they get into a conversation and they use the information from that to then on the backend scams of you know get the home from them and we have like a growing, aging population particularly in Southeast Queens, which is one of the largest African American Homeowner communities and so, they've been really sharked a lot lately with this type of scam. But again, my last question that I asked was does the Administration support this legislation?

KIM DARGA: We definitely support the intent but I think we need to talk about how to coordinate through the contracts that we administer and create more transparency around the resources that we have. It sounds like that's part of the challenge today.

COUNCIL MEMBER BROOKS-POWERS: Thank you. Thank you Chair.

CHAIRPERSON SANCHEZ: Thank you. Thank you Majority Whip. So, I just want to voice my support for Intro. 384. I mean, the Administration is doing a lot, the agency is doing a lot and so, I think it

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would make a lot of sense to have a dedicated space where this is coordinated.

So, I now want to turn it over to Council Member Feliz for his questions and then Council Member Williams.

COUNCIL MEMBER FELIZ: Thank you. Thank you Chair for this hearing and also thank you to my colleagues who have bills up for this Committee today. When we're talking about homeownership, we're talking about two things. We're talking about preserving homeownership and also creating new homeownership opportunities. I think those two parts are important and it seems like that second part, creating new homeownership opportunities, it seems like that second part hasn't been receiving that much attention in the last 10, 20 years. Today, New York has one of the lowest homeownership rates and I think we need to fix that.

When families make it to the middle class or anywhere near the middle class, one of the first things they think about is owning a home and if we don't provide that opportunity to them, they're going to think about other regions that actually do provide that opportunity. So, we really need to prioritize

2 increasing the rate of homeownership in the city and
3 state of New York.

4 A few questions, so earlier today, you talked
5 about two different programs that help resolve that
6 creation of homeownership problem, including the
7 Open-Door program and the Affordable Neighborhood Co-
8 ops HDFC program if I got the full name correctly.
9 How much funding has each program received in the
10 last year? And how does funding for the programs
11 work?

12 KIM DARGA: Uhm, hang on one second. So, I
13 think, so in the upcoming year ANCP and Open Door I
14 think have \$130 million that is allocated. Over the
15 next ten years, if we exclude the Homeowner Repair
16 Programs and the capital goes to renovations for
17 HDFC's and Mitchell-Lama's, it is essentially over \$1
18 billion.

19 COUNCIL MEMBER FELIZ: \$1 billion over the next
20 ten years?

21 KIM DARGA: Yes.

22 COUNCIL MEMBER FELIZ: What about in the next
23 year or so?

24 KIM DARGA: \$130 million.

2 COUNCIL MEMBER FELIZ: Okay, so about how many
3 units based on the general average cost per unit? I
4 guess we'll have to put our calculators right?

5 KIM DARGA: I'm getting my calculator. Did you
6 do the math?

7 COUNCIL MEMBER FELIZ: I did not.

8 KIM DARGA: So, I -

9 COUNCIL MEMBER FELIZ: I got one fourth.

10 KIM DARGA: Yeah, well, I mean, I don't have the
11 exact number here today. I mean we budget in part
12 based on the pipeline that in the near term. So, we
13 probably we have exact numbers but just based on like
14 taking a typical cost of about \$350,000 that we're
15 averaging across the two programs. It's about 371
16 new homeownership units.

17 COUNCIL MEMBER FELIZ: 371 per year?

18 KIM DARGA: Next year.

19 COUNCIL MEMBER FELIZ: Okay, yeah, per year I
20 guess for the next ten years. 371 more or less,
21 okay. Do you have a breakdown of homeownership rates
22 per borough in the City of New York?

23 KIM DARGA: Uhm, like existing homeownership or
24 where our programs are serving?

25 COUNCIL MEMBER FELIZ: Existing homeownership.

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2 KIM DARGA: I don't have that with me today but
3 we could certainly find that information. I know we
4 in the center also tracks a lot of that.

5 COUNCIL MEMBER FELIZ: Okay, what about the rates
6 based on where the programs are serving -

7 KIM DARGA: Yes, I actually do have some
8 information. Xio, I think we have information on
9 Home Fix. Do you have that information that we could
10 share? Just give me one second, I know we have it
11 here.

12 XIOMARA PEDRAZA: So, in terms of Home Fix and
13 who we're serving, we know that 42 percent of the
14 recipients who get the financial assistance to repair
15 their homes are seniors, senior homeowners. We are
16 serving 34 percent in Brooklyn, 34 percent in Queens,
17 19 percent in the Bronx, 12 percent in Staten Island
18 and 1 percent of our homeowners that we serve are in
19 Manhattan.

20 And I think that's largely due to the fact of
21 where these one to four family homes are situated
22 around the city. We're also serving about 79 percent
23 of the homeowners are Black or African American, 4
24 percent other, 7 percent Asian and 10 percent are
25 White.

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2 COUNCIL MEMBER FELIZ: Okay, and also, in what
3 cases can people take advantage of these two
4 programs? The Open Door and the Affordable
5 Neighborhood one. I know generally for example, when
6 it's city owned land, it's much easier to make use of
7 that program. So, what are different cases that
8 generally the program is used on?

9 KIM DARGA: So, Open Door is available citywide.
10 The projects that have largely been in the pipeline
11 are in public sites that we basically RFP'd. So,
12 they have been I think overwhelmingly, there's been
13 some in the Bronx and some in Brooklyn.

14 COUNCIL MEMBER FELIZ: Thank you Chair. I see my
15 time is up if I could just ask one final question?
16 Okay, so are there any ways where the program could
17 either be used or the program could be modified, so
18 that we can use the program in cases where we're
19 building affordable housing? So that we could build
20 affordable housing together with affordable
21 homeownership? And if not, what are ways that we
22 could - in what ways can we modify that program to
23 make that a reality?

24 KIM DARGA: Are you thinking specifically on
25 private sites?

1 COUNCIL MEMBER FELIZ: Private sites.

2 KIM DARGA: Yeah.

3 COUNCIL MEMBER FELIZ: Private, public, all of
4 the above.

5 KIM DARGA: Uh, huh, so it's certainly possible.
6 We do see like larger phased projects that have a
7 portion of affordable rental housing and then a
8 portion and that's affordable homeownership. And I
9 think we're open to that approach. You know the cost
10 that I quoted are largely for public sites where
11 there's not acquisition costs. So, I would just flag
12 that if we were going to see an expansion of the
13 program, to do more on public sites. It would cost
14 more on a per home basis in order to do that because
15 acquisition costs in New York City of land are pretty
16 significant.

17 COUNCIL MEMBER FELIZ: Thank you.

18 CHAIRPERSON SANCHEZ: Alright thank you. Thank
19 you so much. Now, I'm going to turn it over to
20 Council Member Williams.

21 COUNCIL MEMBER WILLIAMS: Thank you Chair for
22 holding this important hearing and thank you for
23 being here. The first question that I have is about
24 Zombie Homes. So, how much funding is the city
25

1 providing to operate the Zombie Homes Unit at HPD and
2 how will this be invested to process the acquisition
3 and transformation of Zombie Homes into opportunities
4 for affordable home ownership? I think that the
5 Zombie list is outdated, just from my own personal
6 anecdotal research and canvassing of the community and
7 we have a lot of Zombie homes in my area, so would
8 love some updates on that.

9
10 KIM DARGA: So, I'm going to turn this to my
11 colleague Michael Sandler who helps oversee our
12 Zombie Homes Initiative.

13 MICHAEL SANDLER: Awesome, thank you and we can
14 maybe tag team and talk a little bit about
15 acquisition, which was part of your question as well.
16 So, in 2017, HPD launched our Zombie Homes Initiative
17 with grant funding from the Local Initiative Support
18 Program and between early, between 2017 and 2022, the
19 program operated solely with that grant funding. In
20 late 2022, the Zombie Homes program was baselined
21 into the city budget and HPD has hired two permanent
22 staff for the Zombie Homes program. One is a field
23 associate who investigates Zombie Homes in the field
24 and works with mortgagee's and servicers to bring the
25 property back into compliance with the State Zombie

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2 Law. And the other is a Small Homes Acquisition
3 Associate whose primary portfolio will be finding
4 pathways to acquire Zombie Homes.

5 Part of your question was about the states
6 registry of Zombie Homes. So, banks are required to
7 provide information about homes that have begun the
8 foreclosure process or are not currently occupied to
9 that state registry and HPD agrees with you that that
10 state registry is not up to date and is not
11 maintained and that's part of the reason for the
12 existence of our Zombie Homes program.

13 And so, what we do is that we use a predictive
14 data model to identify properties around the city
15 that might be Zombie Homes, where maybe they're not
16 using the water. They're not using water or there's
17 arrears on their mortgage, other signs of physical
18 distress and our field associate goes and canvases
19 those properties for signs about whether they may or
20 may not be Zombie Homes and depending on what they
21 find, they either work with that bank to make sure
22 they're bringing that into compliance or work with
23 the Law Department to bring civil complaints against
24 those banks.

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2 And to date, we've brought in over \$1 million in
3 civil judgments through enforcing the Zombie law. If
4 you have properties that you've identified that might
5 be Zombies, we do take referrals and we will look
6 into that property and investigate that and help
7 remediate. So, we love getting referrals. We are
8 active every week out doing inspections of
9 properties.

10 On the acquisition side, our goal is to turn
11 these vacant and abandoned properties into active
12 homes that are supporting the communities that
13 they're in and then are providing homeownership
14 opportunities for New Yorkers. And so, that's why
15 we've brought on a full-time acquisitions associate
16 to explore options there.

17 COUNCIL MEMBER WILLIAMS: Thank you. The next
18 question that I have is about the Home Fix program.
19 So, we know it serves as a primary resource for
20 homeowners in need. Can you attest that this has
21 truly been a valued resource in communities of color?
22 We understand that not all homeowners are able to
23 access traditional home repair financing and you
24 know, it is critically needed for some of these folks
25 but they're not able to access the funds. So, are

1 you able to one, substantiate that it has been truly
2 a valued resource and two, are you able to share with
3 us where it hasn't been a valued resource for some
4 New Yorkers, why that is? What barriers and issues
5 they face in accessing the funds?
6

7 KIM DARGA: Uhm, I'll just say a couple of words
8 and then I'll turn it over to my colleague Xiomara
9 Pedraza who oversees the program. I really think
10 this program is quite amazing. The Center for New
11 York City Neighborhoods during one of the pilot
12 homeowner help desk in 2017 in East New York, did
13 some surveys of homeowners at that point and time
14 about the biggest challenges that they face and they
15 found keeping up with home repairs and accessing
16 financing was by far one of the biggest challenges.

17 So, that actually is the kind of feedback that we
18 got from the center and communities that led to the
19 creation of Home Fix. At the time, we were serving
20 maybe a dozen, a little bit more households a year
21 through our home repair programs and the idea around
22 Home Fix was to provide a resource that homeowners
23 could access, that didn't require the same kind of
24 credit and debt to income checks that eliminate many
25 homeowners from being the access private financing.

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2 And to scale up the program so we could actually
3 serve more households. So, I know you had a number
4 of specific questions about it, so I'll turn it over
5 to Xiomara who oversees it.

6 XIOMARA PEDRAZA: Yeah, so to answer your
7 question, I do think this has been an incredible
8 resource for communities of color around the city.
9 As I mentioned before, we are serving a great; about
10 80 percent are African American homeowners. We
11 provide more favorable financing for folks who live
12 in communities that are underbanked and where they
13 don't have those opportunities to access financing.
14 We also provide more favorable terms in terms of a
15 loan for people who have lower debt to income ratios,
16 those who are seniors and those who are low income.
17 So, we do the opposite of what they do in the private
18 financial sector here and we're trying to really
19 serve and target our resource to those who really
20 can't access other forms of financing to fix their
21 homes.

22 COUNCIL MEMBER WILLIAMS: Are you able to just
23 share, I mean not right now, how many people are
24 using the program in my Council District?

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2 XIOMARA PEDRAZA: I don't have that specifically
3 with me but I will follow-up for sure.

4 COUNCIL MEMBER WILLIAMS: Okay, and Chair, if I
5 can just ask one question that Council Member Riley
6 had. So, Council Member Riley had a question about
7 understanding that - he understand that there's a
8 need for affordable co-ops and condo's and the
9 current issues that developers and community-based
10 organizations face in terms of capital funding and
11 flexibility in financing. What plans does the city
12 have to streamline the financing and development of
13 such units? Which is a good question because I know
14 I have a lot of units coming up and we subsidized for
15 rental but it's rare that we provide the subsidies
16 for co-ops and condos and developers always talk
17 about that. Just the finance mechanism isn't there
18 for them to truly build co-ops and condos.

19 KIM DARGA: Yeah, I mean I know it is more
20 complicated to finance affordable homeownership right
21 now in part because some of the issues we talked
22 about earlier, just on a per home bases, it is more
23 expensive and that adds some challenges for us is
24 we're trying to balance a lot of needs. We do have a
25 couple programs that do this and you know it's only

1
2 in the last couple years that we've had more
3 dedicated resources focused on this. I think if
4 folks have, if you have suggestions or some of the
5 developers or communities that you're hearing from
6 have suggestions about how we can streamline in order
7 to make it work better, we're open to having that
8 conversation.

9 COUNCIL MEMBER WILLIAMS: Thank you and lastly, I
10 just wanted to also underscore my support for Intro.
11 384. I understand through this hearing and reading
12 the testimony, I wasn't here when you spoke but your
13 agency does have different programs that help
14 homeowners but I don't think it's centralized in a
15 way that truly allows to maximize the impact. And
16 also, just echoing what Majority Whip Brooks-Powers
17 says, I also represent areas in Southeast Queens and
18 I've never heard about - I've heard somewhat about
19 Home Fix but a lot of the things that you're talking
20 about, never heard about it. Didn't know it existed.
21 The only time we actually even deal with HPD is for
22 issues involving buildings and never, ever reaching
23 out to HPD to help with any of our homeownership
24 issues in which we have a plethora. So, I'll also
25 try to like write you a letter and hopefully you can

1 send me information around what you've been doing.

2 The organizations and entities that you've been

3 working with because I have no idea what you were

4 talking about. My family, we had foreclosure issues,

5 we've had issues with maintaining very old homes. We

6 have a lot of old homes and never knew that a city

7 agency provided the levels of resources that you're

8 talking about right now. And so, really interested

9 in the impact and how much people are actually served

10 by previous pilots and future pilots and the

11 sustainability of that, which is to me the intent of

12 this bill is to create sustainability, to create

13 essential place for homeowners to go to receive a

14 plethora of services across the spectrum and not have

15 to piecemeal their way through the process if they're

16 having different issues as a result of being a

17 homeowner.

18 So, thank you so much Chair for granting more

19 time and thank you so much for your testimony.

20 CHAIRPERSON SANCHEZ: Okay, thank you. Thank you

21 so much Council Member Williams. So, I'm going to

22 ask one more question and then we'll be moving to

23 public testimony and that is for you Deputy

24 Commissioner, we've talked a little bit about Open

25

2 Door with Council Member Feliz and Open Door as you
3 mentioned was launched in 2017 to create new limited
4 equity homeownership opportunities for first time
5 homebuyers. It is a critical tool in our tool kit
6 but I'm concerned about the levels of production over
7 the six years of its existence. So, how many Open-
8 Door units exactly have been created since 2017?

9 KIM DARGA: We financed 274 units through Open
10 Door.

11 CHAIRPERSON SANCHEZ: 274 units, okay and what
12 was the average cost of each unit to the city?

13 KIM DARGA: Uhm, the average cost since 2017 was
14 \$202,000 per home that cost has increases
15 significantly over the last couple years for other
16 reasons that we've talked about today with operating
17 costs going up, interest rates going up, construction
18 costs going up. The cost over the last two years
19 have been about \$230,000 per unit and the cost of the
20 projects in the pipeline today far exceed that.

21 CHAIRPERSON SANCHEZ: Got it and of the 274
22 financed, how many are occupied today and how many
23 are still in the pipeline?

24 KIM DARGA: Uhm, so to date, 160 of the homes
25 have been sold. The rest are in construction and

1 there are a number of sites in the pipeline today.
2
3 We have two to three projects we hope to be financing
4 in the next couple months and there are a number of
5 other projects following behind those.

6 CHAIRPERSON SANCHEZ: Got it, thank you. And
7 I've heard some challenges expressed from advocates
8 and folks who are involved in the development of some
9 of these projects that there are restrictions in the
10 way that HPD creates the regulatory agreements and
11 then the requirements that you impose with them on
12 financing. Are there specific ways that you are
13 working to improve these processes with the developer
14 community and nonprofit developer community in
15 particular?

16 KIM DARGA: I think we would need to have a
17 conversation about the specific challenges and
18 issues. You know, we structure financing in a
19 particular way if there are challenges over the
20 financing. We certainly get feedback from
21 development partners all the time. We're happy to
22 sit down and talk about that. You know we have
23 regulatory restrictions that we impose. It is our
24 goal to make sure that in financing limited equity
25 cooperatives that they are a long-term resource for

1 the City of New York. If there are challenges, we're
2 always open to suggestions. We constantly reflect
3 and try to incorporate feedback from partners. So,
4 we're happy to sit down and talk with folks.
5

6 CHAIRPERSON SANCHEZ: Okay, thank you. And just
7 to drill down a little bit further. You mentioned
8 160 have been sold. Is that to the families or
9 occupants, the owners occupants.

10 KIM DARGA: Through the lottery. Through Open
11 Door specifically. And then we have certainly other
12 affordable homeownership opportunities that we've
13 created through other programs. I don't have the
14 number that have been marketed in recent years but we
15 are always happy to share that.

16 CHAIRPERSON SANCHEZ: Great, alright, a very
17 successful hearing with my colleagues asking lots and
18 lots of questions. I really want to just appreciate
19 them joining in and sharing their thoughts. I think
20 you know there are a couple of takeaways that I'm
21 having from this hearing and I look forward to
22 continuing to work with you on that, on these
23 takeaways right. Right, it's one, we want to do more
24 work to foster more homeownership in the City of New
25 York thinking bigger, thinking about potential

2 exciting sites, new sites and things like that. And
3 then on the preservation side and sort of the
4 existing homeowner side, we want to look at the
5 phenomenon to not cast blame but there's probably
6 blame to be cast right? But looking at the
7 skyrocketing insurance costs and how those are
8 effecting different parts of the city differently.
9 And we also want to closely monitor the program,
10 DOB's Homeowner Relief program to see its success.
11 To make sure that we are reaching out to tenants or
12 to homeowners as much as we can to have them take
13 advantage of other opportunities to work with DOB to
14 maintain their homes.

15 So, with that, I want to thank you all and we're
16 going to take just a brief recess of five minutes
17 before beginning public testimony. Thank you all.

18 KIM DARGA: Thank you so much.

19 RECESS [02:06:11-[02:11:37]].

20 COMMITTEE COUNSEL: Okay, we are getting ready to
21 turn to testimony for the public. Okay, for the
22 first panel we will be hearing from Matt Dunbar,
23 Brendan Cheney, and Arielle Hersh. Matt, we could
24 start with you. You can start when you are ready.

1 MATT DUNBAR: Okay, thank you so much. So, my
2 name is Matt Dunbar, I'm the Chief Strategy Officer
3 and EVP with Habitat for Humanity in New York City
4 and Westchester County. I want to thank Chair
5 Sanchez for holding this meeting. We cannot have an
6 equitable New York and an Equitable Housing Strategy
7 without significant investments and prioritization of
8 affordable homeownership. This city was you know
9 created on a foundation, just as the rest of our
10 country was on racist and discriminatory housing
11 policies and all the statistics that has been shared
12 so far, show that the disparities within our city
13 persist today. And when we look at New York, we
14 should be seeing a city that is leading the way in
15 the amount of capital that we spend and the amount of
16 innovative thought leadership that we have within the
17 sector. We should be a leader across the country in
18 creating equitable housing strategies but the
19 outcomes that we've seen have shown that we fall
20 significantly short of those goals.

22 And some of the stats that have been mentioned
23 today show that but I want to highlight a few,
24 including the fact that on average over the past nine
25 years, according the public statistics that we've

1 been able to look at, on average year over year there
2 is less than 90 units of homeownership created.

3 Affordable homeownership created in a city of 8.5
4 million people. And for us, you know Habitat for
5 Humanity, we focus on affordable homeownership, so
6 we're thrilled that we were the first project to be
7 funded under Open Door. Our Sydney house project in
8 the Bronx of 56 units is one of the only projects
9 that has been completed under that program and
10 completely sold to homeowners. We're cofounders of
11 Interboro CLT. We, in 2022, we closed on 16 units of
12 single-family homeownership that we're currently
13 rehabilitating in construction but under that year,
14 that 16 homes represents one-third of all of the new
15 homeownership that it was being created in that year.
16

17 These numbers are a paltry when we look at what
18 the center reports as 20,000 less Black homeowners
19 specifically in Queens. So, when we see the
20 disparity, we know that we need to prioritize
21 affordable homeownership so much more and we support
22 anything that the City Council can do to provide more
23 flexibility and more funding and more staffing to HPD
24 to ensure that these programs can be prioritized in
25

2 specifically funding nonprofits. So, thank you, I'm
3 looking forward to the questions.

4 CHAIRPERSON SANCHEZ: Thank you so much.

5 BRENDAN CHENEY: Good afternoon, my name is
6 Brendan Cheney, I'm the Director of Policy and
7 Operations at the New York Housing Conference. I
8 want to thank the Committee for the opportunity to
9 testify today.

10 So, I'm here to testify about the importance of
11 affordable homeownership and the city's lack of
12 progress in producing new affordable homeownership
13 housing.

14 Homeownership as you know, is an important way to
15 develop wealth but the opportunity remains unequally
16 divided. In New York City, 43 percent of White
17 households own their own homes while only 27 percent
18 of Black households and 17 percent of Hispanic
19 households own their own homes.

20 This historic difference is one key reason why
21 nationally there remains a large racial wealth gap
22 where the median White family has \$180,000 in wealth,
23 the median Hispanic family has \$38,000 in wealth and
24 the median Black family has \$23,000.

1 So, last year, Mayor Adams committed to
2 increasing affordable homeownership in his housing
3 blueprint, saying the city would expand downpayment
4 assistance, build more affordable homeownership
5 options as well as create new models for shared
6 equity and community ownership. We support these
7 goals but unfortunately, the administration has not
8 delivered so far. Affordable homeownership
9 development woefully inadequate under Mayor Adams.
10 Last year, the city produced just 144 units of new
11 affordable homeownership housing and if you exclude
12 downpayment assistance and other direct assistance
13 programs, HPD produced just 49 units of new
14 construction of homeownership housing.
15

16 Increasing affordable homeownership is one of the
17 most powerful ways to repair the damage of previous
18 discriminatory housing policies and expand wealth
19 building opportunities to all New Yorkers. We look
20 forward to working with the City Council, our
21 partners and HPD to expand affordable homeownership
22 opportunities.

23 ARIELLE HERSH: Good afternoon Committee Chair
24 Sanchez and Members of the Housing Committee and
25 staff. Thank you. Thanks so much for holding

1
2 today's hearing and giving me the opportunity to
3 testify. My name is Arielle Hersh and I am the
4 Director of Policy and New Projects at UHAB.

5 UHAB has served low- to moderate-income residents
6 taking control of their housing, primarily in HDFC
7 cooperatives for the last 50 years, and we know that
8 HDFC cooperatives form a key block of stable,
9 affordable homeownership for over 25,000 New Yorkers
10 across 1,200 buildings in New York City. The
11 majority of shareholders are Black and Hispanic New
12 Yorkers systematically excluded from traditional
13 homeownership opportunities, and many HDFC
14 cooperatives were created from the abandonment and
15 disinvestment of New York City's fiscal crisis
16 received, as we spoke about later, earlier in the
17 sort of the TIL program very limited funding in
18 repairs, as well as training when they converted and
19 you know really sort of faced those broad impacts of
20 lack of investment and city funding.

21 However, we also know that this model works and
22 that it serves primarily low, low-income homeowners.
23 We know that it's possible to develop deeply
24 affordable homeownership projects and that low-income
25 families are diligent stewards of their housing. You

1
2 have also developed affordable co-ops and out of the
3 1,873 cooperative units that you have successfully
4 developed, almost all of them are at or below incomes
5 of 50 percent AMI, including the 390 units in our
6 current development pipeline, which span the third-
7 party transfer program as well as independent tenant
8 purchases, which we're really interested in focusing
9 more on, and city owned, formerly city owned
10 buildings.

11 I would also like to highlight that we really
12 need more staffing and funding at HPD to be able to
13 you know create and preserve more affordable housing.
14 And that there is sort of a mismatch in the current
15 stock of affordable housing that's being created
16 through city programs. There's more in my testimony
17 and looking forward to your questions.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you so
19 much. So, my first question is for Habitat, so you
20 mentioned that yours is the only Open-Door project
21 that has really gone through in this Administration,
22 so how many units are we talking and what are some of
23 the challenges that you think contribute to the low
24 Open-Door uptick?

1 MATT DUNBAR: Yeah, so thank you for the
2 question. Our first project that closed under Open
3 Door was actually in the previous Administration, so
4 it closed in I believe February of 2018. A 57-unit
5 cooperative building. 56 residents in the supers
6 unit and one of the big challenges just generally as
7 was mentioned, was the need for capital in affordable
8 homeownership developments. So, that project was
9 actually in predevelopment for a number of years in
10 which we actually had an additional \$4 million
11 allocated by the Borough President and the Council
12 Member in order to make that budget work as the first
13 Open Door project. And then moving forward, our more
14 recent one, the one that closed under this
15 Administration was the 16 single family homes. It
16 was replacing Zombie homes owned by NYCHA with Net
17 Zero you know new construction and rehab homes. And
18 again, there is Reso A funding within that project as
19 well.

20
21 I think one of the primary issues that has faced
22 affordable homeownership that affordable rentals
23 don't face was mentioned, which is the lack of use of
24 tax credit equity in these projects. And so, when
25 the Administration says that homeownership is

1
2 exceedingly expensive, what they're referring to is
3 that there are not the same tools that are available
4 to fill those gaps. And so, it's expensive in city
5 capital and we've also done a good job in increasing
6 the state subsidies for affordable homeownership as
7 well. But I also want to emphasize in 2017 and 2018
8 under the – what was the previous program, the new
9 Infill Homeownership Opportunity program, the city
10 announced over 550 units of affordable homeownership
11 was going to be created by the city and that was in
12 2017 and 2018. All of those units are essential
13 infill. They're scattered sites, so they're small,
14 hard to develop lots with lots of neighbors. They're
15 smaller scale and so, there's increased cost to
16 homeownership that larger scale rentals that when you
17 prioritize you know larger developments for rental,
18 that is now put on to homeownership that increased
19 those costs. So, if you have 12 lots at 4 units a
20 piece, that's 12 permits, that's 12 you know
21 assessments, that's 12 different architectures.
22 That's 3 different neighbors. There's additional and
23 stacked up costs when you prioritize small site
24 development for homeownership in stead of scale of
25 old developments like rental has had.

1 So, those are some of the challenges and I think
2 there are creative ways for the city to engage in
3 getting new you know, equity opportunities. I think
4 there's way that we could use LIHTC if we're getting
5 creative and I think that there's ways that we can
6 create new homeownership opportunities, not solely in
7 new construction. I think the city's gone you know
8 had made strides to start increasing scalable
9 homeownership in some of their RFP's. So, we have an
10 RFP where we'll have upwards of 70 units on one site
11 in the Bronx that we will be building on the
12 community land trust. So, we are going in the right
13 direction about the scalability rather than the
14 scattered sites. But I think you know through tenant
15 opportunity to purchase and strategies that we can
16 infuse low-income housing tax credits, looking at
17 converting buildings at year 15 or year 30 to
18 homeownership. If we can look at homeownership
19 conversions, not just as distressed buildings
20 becoming homeownership, which is going to be costly
21 because as was mentioned, it's \$500,000 a unit on
22 average now. If we can be looking and partnering
23 with healthy, cash flowing, really stabilized
24 buildings that don't have those same kind of distress
25

1
2 and work towards getting those into the homeownership
3 stock, I think we can really see homeownership you
4 know start to be done at scale. So, thank you so
5 much for the question.

6 CHAIRPERSON SANCHEZ: Thank you. Thank you so
7 much and that is especially interesting to me given
8 the rates of homeownership in my district, they're at
9 six percent, right? And so, what we have is - we
10 have the ability to look at our existing buildings.
11 I want to say they are very excited about some of
12 these proposals. And so, question for any of you,
13 all of you. You know what do you think from the work
14 that you do, the advocacy that you do, what do you
15 think it looks like for the Administration to
16 dedicate real resources at large to homeownership?

17 ARIELLE HERSH: I'm happy to jump in here first
18 and thank you so much for that question. I think
19 there are two prongs here. There's one on creating
20 more homeownership, which we talk quite a lot about,
21 and there's also another side on preserving
22 homeownership just to reiterate on sort of creating
23 new homeownership. Staffing for HPD, additional
24 capital sort of funding to be able to scale up these
25 projects and to really achieve some of the scale that

1 Matt was talking about. Putting more resources into
2 programs, like the third-party transfer program,
3 which has been on pause since 2018, which I know both
4 the Council and the Administration is very familiar
5 with. This is sort of a critical juncture to create
6 new homeownership opportunities. Although like many
7 programs, you have to sort of thread the needle
8 through a very complex bureaucracy for tenants to
9 advocate for the opportunity to opt into
10 homeownership through these programs. Something like
11 neighborhood pillars, which really replicates the
12 tenant purchase style of homeownership and
13 conversation would also do a lot to address both the
14 buildings that Matt was talking about, good sort of
15 like quality rental housing, as well as buildings in
16 the worst possible condition, which have historically
17 been the body of buildings in New York City that
18 create homeownership opportunities for low income
19 Black and Brown new homeowners.

21 On the preservation side, I can speak
22 specifically to each DFC cooperatives. We have found
23 that rising building costs and increasing sort of
24 City Code Enforcement has really, really put a strain
25 on existing homeowners specifically in multifamily

1 buildings. I think we talked a lot about the way
2 that homeownership effects one to two family, one to
3 four family small homes in Southeast Queens, in the
4 North Bronx, in Southern Brooklyn, but HDFC
5 cooperatives exist all over the city. They exist in
6 Washington Heights, Harlem, the lower east side,
7 central Brooklyn. Most of these are larger multi-
8 family buildings. The average is about 20 units and
9 they face increasing code compliance issues,
10 especially through the newest round of AEP just came
11 out. HDFC cooperatives that are trying to get back
12 on track who may have come into some sort of issues
13 with code compliance, are repeatedly treated in a
14 really punitive way through the city's code
15 enforcement process, when they need sort of advocacy
16 and support to really get back on track. The same
17 goes for a lot of resources that I think are just not
18 publicized.

19
20 Currently there's a DEP Amnesty program for
21 affordable housing that has simply not been
22 publicized by DEP at all. We heard that the program
23 was supposed to end on April 30th and has been
24 extended another month to May 31st but there are no
25 program materials. There is no outreach, there are

1 no phone calls and we really, really want this
2 program which could really serve folks who are
3 suffering from water and sewer debt and are at risk
4 of foreclosure from getting those resources that they
5 need. I will stop there.

7 BRENDAN CHENEY: I'll jump in. So, I think one
8 of the primary things we face as a nonprofit is the
9 cost of delay and the prioritization that certain
10 projects and/or developers get over others. And you
11 know, being that affordable homeownership in previous
12 administrations was relegated to these small sites,
13 scattered sites, low density, so non scaled kind of
14 pieces and all the measurements that the city was
15 really looking at itself as far as success or failure
16 goes was about unit count. Unit count, unit count,
17 unit count but it wasn't talking about equity, right?
18 It wasn't talking about the affordability and it
19 wasn't talking about the types of housing that were
20 being built. So, in that circumstance, you're going
21 to prioritize the larger buildings and the larger
22 scales that you can get out of. And so, the
23 nonprofit organizations like ours that were selected
24 to develop affordable homeownership, often times get
25 kicked to the back and in develop, if you miss

1 closing season, then you're kicked back six months.

2 And if you miss that closing season, it's another six
3 months.
4

5 So, the cost of delay, had we been able to build
6 a lot of homeownership or had it been sites been
7 selected at scale, it would have been so much cheaper
8 than it is now to build these homeownership because
9 of the cost and the increase of costs that we've
10 seen. So, that's one piece.

11 I also just want to mention uhm, you know the
12 importance of you know looking at creative solutions
13 and just you know implementing a city of yes, into
14 our housing bureaucracy and kind of prioritizing you
15 know and partnering with the expertise of those of us
16 that have been in this work for so many years. The
17 turnover that has occurred in our agencies often
18 times leads to people coming in on projects that have
19 been kind of sitting on our books and really kind of
20 creating economic turmoil for nonprofits for years
21 and years and years and when there's turnover,
22 there's a whole new education that has to come
23 alongside that with the new project folks and
24 different pieces. And often times they come with new
25 opinions and a lot of the institutional knowledge is

1
2 gone and it takes you know again, it kind of creates
3 those delays.

4 So, moving a city of yes that actually works in
5 partnership and adds trust to those of us that are
6 working with the city and understanding our expertise
7 and saying yes and moving on, I think it's really
8 important. And just for example, we have been
9 working with one LIHTC building that is stable and
10 we've been working on this building for four or five
11 years now. There 15-year compliance period has long
12 since passed. They've been seeking to convert to
13 ownership and we've had plans that we've had that
14 would have worked out for us to convert years ago.
15 And those plans sit and don't get acted on for a year
16 and then when it comes back to it, it's a different
17 scenario and then you have to go back again.

18 And so, getting to a point where we can just say
19 yes and implement that city of yes into the work that
20 we're doing and close these projects and stick to
21 deadlines and be accountable to each other, that's an
22 important part of how we can get homeownership built.

23 MATT DUNBAR: And I'll just add quickly, you know
24 these two are the real experts which I just want to
25 reinforce some of the things they've said. I think

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it's staffing, right? It's getting staffed up and then it might mean more staffing in order to help work through some of the challenging issues and then it's the funding. It's being willing to commit the resources, right? If this is a real priority like they say it is, then it's being linked with the resources. If it means more resources because you're not able to use LIHTC, then committing those resources because you do value homeownership and you do want to expand things. You want to sort of make up for this history of racial discrimination.

CHAIRPERSON SANCHEZ: Thank you. Thank you so much. Thank you for coming in to testify today and for your support in preparing for this hearing.

COMMITTEE COUNSEL: Thank you. We'll now be calling up our next panel, Joy Clarke, Beverly Pabon, Luisa Rodriguez and Regee Barnhill. You can come up to the table. We can start with Joy Clarke when you're ready, just press the button on the microphone. Thank you.

JOY CLARKE: Hi, how are you? I don't know where to start. I first want to say I think it's very disrespectful that they did not stick around to hear the testimony of the public. I'm not surprised

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because this is what our experience has been with them for decades but they should have stayed to hear what we had to say. Because a lot of the information that they gave absolutely was not true.

First, they said the TIL program was over in 2006. This was relocated in 2008. There's a building in Brooklyn that was relocated in 2008, 158 South 4th Street. Never once where they told when they relocated that TIL was over. They were told that they were being renovated. That the city would fully fund the renovation and they would go home. So, this change of information and changing of dates is something that HPD is constantly doing. My building can't come to in 2017 and ask you know, to relocate. I asked these people, sent them emails numerous times because the word was getting around. Will there be a mortgage? Will we have to pay? Repeatedly told no, no, no, to my face. When I sent them emails, they would not answer. It wasn't until the last minute well they said, well, you'll have a mortgage but you can pay it later.

No mortgage and pay later are not the same thing. So, they're constantly lying either by a mission or given misinformation and this has been going on the

1 entire time. I do not trust a word that they say.
2 They're constantly changing management and I think
3 it's on purpose, so they don't have to take
4 accountability. They can just say, I was not there
5 you know. So, this is the issue and they can't even
6 tell you how much your mortgage is going to be. Who
7 in their right mind would sign into a program, say
8 yes, I'm going to leave my home. I'm going to let
9 you do all this work but you cannot tell me how much
10 it's going to cost. They will not tell you. I've
11 asked verbally, they will not tell you. I've sent
12 emails, they do not reply. This is what it is.
13 There are people who we've spoken to. We've spoken
14 to people when it's an ANC program. They are not
15 happy. They left their building. They did not know
16 what they were getting into because they were not
17 told purposely.

18 And I just again, I want to reiterate that it's
19 disgusting that HPD is not here to hear what we have
20 to say.

21 COMMITTEE COUNSEL: Beverly Pabon, you may start.

22 BEVERLY PABON: Yes, thank you Chair for this
23 opportunity to speak. I say the same thing that Ms.
24 Joy has said regarding the TIL program but uhm,
25

1
2 you've heard all the testimonies that other TIL
3 buildings has been going through. I'm going to ask
4 for some key points now before I even talk about even
5 my building but we do need the 100 percent, \$100
6 million to fund the TIL program for the construction,
7 as it was done in 2010 for buildings just before they
8 started going over to the transfer of the ANCP
9 program. We need to have the ban lifted for us to
10 not to rent apartments. Right now, we have
11 vacancies, people are dying and we can't rent
12 apartments. So, now, our income is lower. So the
13 cost, we can't make the repairs. When we started, we
14 were 100 percent. We had over \$100,000 in the bank.
15 We were fixing repairs ourselves. HPD has purposely
16 banned us from renting apartments and now this has
17 been detrimental to the tenant association.

18 I would like the Council to also compare the cost
19 of going into the TIL program as it originally was to
20 the ANCP program because if you look at the ANCP
21 program, there's a lot of cost that's on there that
22 you would not occur if you stay with the original TIL
23 program.

24 I will also ask that you create a tenant review
25 and complaint board with the tenants in order to

1
2 facilitate the TIL buildings going to the program as
3 it was originally done. Because HPD keeps changing
4 people. They don't know the history. The tenants of
5 these TIL buildings know the history. We've been in
6 here since 1997 and beyond that. So, we have the
7 historical history of the TIL program and what works,
8 and we want that membership to be done to the tenants
9 in the building.

10 Tenants like Ms. Joy said HPD never told us that
11 the TIL program has ended. When we heard this number
12 of 2,006, when we were getting ready before the
13 housing crisis, our building and several other
14 buildings was already in the pipeline to be
15 rehabilitated. Most tenants had already moved out
16 like Ms. Luisa right here, as one of her building.

17 So, we kept asking and this was the Director, Mr.
18 Victor Hernandez, was the money there in the pipeline
19 for these buildings? And we was told, yes, the money
20 was there. We're just waiting for this housing
21 crisis to go through and then we will come back with
22 the TIL program. That never happened. When we came
23 back in 2012 with this information and hear about
24 this ANCP program, they told us in our face, no, the
25 money was never there.

1 LUISA RODRIGUEZ: Hi, good afternoon. I will
2 start by saying thank you Chair Sanchez for holding
3 this hearing. I am really sorry to see that none of
4 HPD representatives stay here to listen to what the
5 people have to say. What we the people have to say.
6 They should stay and I'm really distraught to see
7 that some of those Council Members that have a lot of
8 these building in their district did not make the
9 time to even ask questions to HPD. That really
10 breaks my heart to see that we are bringing people
11 without votes that do not care about us. Because if
12 I am, if I know that I'm going to this kind of
13 hearing, I will make time to at least ask questions
14 to HPD.

16 It's really sorry to see that and I think we have
17 to think about that when we elect our officials.
18 People who are supposed to represent us. Thank you
19 Ms. Sanchez, thank you for having this hearing.

20 I am one of the tenants of TIL buildings. 615
21 West 150th Street in Manhattan. Our building enter
22 the program, the TIL Program in 1996, decades ago.
23 At that time, the city needed us. The city
24 foreclosed, not foreclosed but took and ran in our
25 buildings that were abandoned by the landlords. We

1
2 have said that and I know you know that but I just
3 want to repeat it. At that time, the areas where
4 those buildings, those abandoned buildings were, no
5 one wanted to put a foot in those areas. No investor
6 would invest a penny in those areas. So, that's why
7 the city brightly say, oh, let's go to the tenants
8 and what the promise was, what the agreement was with
9 us, that if we, the people, can manage those
10 buildings for five years, the city will sell our unit
11 to each tenant for \$250. I know it sounds ridiculous
12 now to say \$250 for an apartment. This was back in
13 the 70's. I mean, in the 90's, yeah.

14 But the thing is, why are they backing up now?
15 Because we worked on those buildings. We make those
16 buildings stand. We keep those areas that were
17 really, really, really unconsidered undesirable. Now
18 those areas are so desirable that every investor,
19 everyone who has money wants to get one of these
20 buildings. How did that happen? Our work has value
21 and that's what the city has to understand. Our work
22 has value. We have sweat equity in those buildings
23 and what we are asking for you, the City Council, is
24 to make sure that in this year budget there will be a
25 budget line dedicated for construction. Dedicated

2 exclusively to TIL buildings. That's what we are
3 requesting. That's what we are demanding. That's
4 what where we count on you to do for us.

5 CHAIRPERSON SANCHEZ: Thank you.

6 LUISA RODRIGUEZ: You're welcome.

7 CHAIRPERSON SANCHEZ: Thank you so much. Thank
8 you.

9 LUISA RODRIGUEZ: You're welcome.

10 BEVERLY PABON: Good afternoon. Thank you for
11 everything you guys done today. Ms. Sanchez, thank
12 you. I'm here from 231 West 116th Street. I'm the
13 Treasurer there. We joined the TIL program in 1999
14 and here we are 24 years later still fighting. We
15 are the people who have held this building together.
16 Who made sure that it was operating. Who held these
17 families together, these Board of Directors.

18 At this point and in my building, I have not even
19 been paid for six years management fees to manage the
20 building and for me, this is a part time job. There
21 are some people in the building who do not fight as
22 hard as we do, the people sitting here. We represent
23 those people and we should be paid for that. Also,
24 HPD does repairs that are dissatisfactory. It's
25 terrible. They recently did a repair, one of our

1
2 apartments 14, an electrical repair and it is
3 horrible and the tenants don't even want to pay rent.
4 These are the things that we fight. These are the
5 things that the tenants fight HPD about but we end up
6 in the middle as Board of Directors for what has
7 happened. We're led to blame and we have to fix it.
8 We need help and we want our buildings. We worked
9 hard for paying rent and working. We own those
10 apartments and that's what we want and that's all
11 that we want. And will continue to see that our
12 buildings are maintained.

13 What are you guys doing? What are they doing?
14 Nothing, they are telling you lies today, untruth.
15 This is just ridiculous and they have not even spoken
16 to us. In 2006, no one told us that we were no
17 longer a TIL program. I'm shocked to hear this. I
18 wasn't told in 2012 anything about the TIL program
19 becoming ANCP. And then last year, they tried coerce
20 us into signing this ANCP agreement telling us that
21 our representative Kristin Jordan had signed off on
22 it. It was a total lie. Her signature was a false
23 signature. Also, they do not hire correct people in
24 their HPD management teams. My signature was forged.

2 HPD took our checkbook and my signature forged on two
3 checks last year.

4 I've asked HPD what's going on? Who did this?
5 No one has said anything to me. They don't respond
6 and ignore the emails. I'm tired of this. You know,
7 I've had a career where I work at an Admin and now
8 I'm at the point where I'm supposed to retire and I
9 have to work to maintain my buildings because I'm
10 scared that I'm going to lose it. We need some help
11 here. We need some truth told and we need it
12 exposed. Thank you.

13 CHAIRPERSON SANCHEZ: Thank you. Thank you so
14 much. First, to address the fact that HPD is not
15 here, that is not appropriate. They are supposed to
16 leave someone behind, even if they are watching
17 online, which I know folks are watching online. We
18 need you here in the room. We need you listening to
19 the public testimony, so that's first and foremost.

20 Second, you know I want to shout out a couple of
21 you know my colleagues who maybe could not be here
22 but have been working and listening on this issue, so
23 Council Member Abreu, Council Member De La Rosa,
24 Kristin Richardson-Jordan, you know Crystal Hudson
25 was here, I'm here. You know, we are paying

1 attention and you know I think you heard it from
2 Council Member Hudson's questions and my questions
3 that we see the injustice here, right? The fact that
4 you know you mentioned 1996, you mentioned 1999. You
5 have been in these buildings, promised that you were
6 become owners and now the script is getting flipped
7 on you, right? They're saying you have to you know,
8 you have to go through this other program. There's
9 going to be debt. There's going to be you know high
10 maintenance fees. They're talking about bringing in
11 higher income people. That, I understand and there's
12 reasons. They give good reasons for how - that they
13 don't have money and this and yet but a promise is a
14 promise. A promise is a promise and at the end of
15 the day, we have to continue with the north star.
16 So, you know I know that you work with PA'LANTE
17 Harlem. I know that you are you know, we're all in
18 conversation. We're going to continue in that
19 conversation to try to get you that ownership that
20 you deserve, right?

22 So, I just want to thank you for being here and I
23 just wanted to ask you know just some clarification
24 from you who are here, how many of you have been

1
2 relocated from your original home. Ms. Rodriguez,
3 yeah.

4 LUISA RODRIGUEZ: In our building 615 West 150th
5 Street, I was so surprised when I heard that they say
6 that TIL had ended in 2006 and I was so surprised
7 because in 2008, they came, HPD told us we have the
8 budget to rehab your building. And consequently with
9 that, they started the process of relocating people
10 to start somehow the process so that they could rehab
11 the buildings. 15 families were moved out, were
12 relocated in 2008. Out of those two died already
13 unfortunately without leaving any successor. One of
14 them died and left a successor.

15 But my question is, if that ended in 2006, how
16 come you are moving people, setting them in two, two
17 and half, three years, you come back to a rehab
18 building. And when we saw relocated outside, when we
19 saw that three years passed and nothing was done in
20 our building, nothing, nothing, nothing. The
21 relocation didn't continue. We asked HPD that we
22 wanted to go back to our original apartments and the
23 answer was no. The answer was no because this
24 building is going to be a rehab and then you would
25 have to move again and dah, dah, dah, dah, dah.

1 So, it's 2023, 15 years already and we are still
2 waiting.
3

4 CHAIRPERSON SANCHEZ: You're still waiting.

5 JOY CLARKE: Things happen because I'm in another
6 building now that they asked me to relocated because
7 of structural issues from the building I originally
8 came from. But the building that I came from
9 originally, 2008, the same year we – February 2008,
10 we were relocated to another building with the
11 promise that we would be back in two years. We had
12 looked over designs, we had looked over plans. All
13 of that was supposed to be already done and we were
14 being relocated.

15 I have emails for years, years asking what's
16 going on? What's happening? Never once was a
17 response. Well, you know in 2006, the TIL program
18 ended. Someone's asking you repeatedly, verbally,
19 email, what's happening and never once do you tell
20 them there's no more TIL? You had ample opportunity
21 so you chose not to. Even while we were relocated,
22 the building that we relocated from, we had to take
23 care of that building we were no longer in. We had
24 to hire people with our money from our funds to go
25 clean that building. We had to hire a company, me,

2 I'm getting bids. Otherwise HPD would have had to
3 pay someone to do this. I'm getting bids from three
4 companies to go in and clean the inside of a building
5 because squatters had moved in. We handled that, not
6 HPD. Someone would have been paid but know what the
7 exchange was, we take care of the buildings, you
8 renovate. Now, we've taken care of the buildings,
9 why are they not paying for the renovations? We did
10 that. When people were breaking into the buildings,
11 they had our numbers. Our neighbors had our numbers.
12 They didn't call HPD, they called us. So, they had
13 ample opportunity to tell us that TIL did not exist
14 anymore. They never did and it was purposeful. It
15 was purposeful.

16 CHAIRPERSON SANCHEZ: Thank you.

17 BEVERLY PABON: They're managing the buildings
18 under false pretenses.

19 CHAIRPERSON SANCHEZ: Thank you. Just another
20 clarifying question. I heard 1996, 1999. The other
21 buildings, when did you become -

22 LUISA RODRIGUEZ: 2000.

23 CHAIRPERSON SANCHEZ: 2000.

24 JOY CLARKE: And mine was in 1997 and HPD came to
25 us. Our building was taken through RIM. It was

1 managed by HPD for some time. It was also managed by
2 a 7A Administrator, then managed by HPD. HPD came to
3 us to tell us about the TIL program. And so,
4 disheartening regarding HPD is that and in the years
5 that we were still managing the building, we had
6 people relocate to our building.
7

8 So, there was a program called the TIL II program
9 and in the TIL II program, what they were doing, HPD
10 wrote to these buildings that I'm sorry, it's taken
11 us more years in order to renovate the building, so
12 we're going to try this new pilot. You guys become
13 the sponsors of the building, we help you with a
14 nonprofit organization to do the renovation and you
15 all come back to your building.

16 So, since they had to letter it in 2006. Our
17 building went in 1996. We came into the program in
18 1997. At that time, HPD knew that they were having
19 problems doing the renovation in the time period that
20 they've been telling us is going to just take three
21 to five years. You know, so that's disheartening to
22 find out this information and right now, that
23 building, those buildings under that program is
24 thriving.
25

1 So, the program is successful. I know the City
2 Council wants the opportunity as Mr. Feliz asked for
3 programs to come in for people of color, low-income,
4 the opportunity of homeownership, especially because
5 of the redlining and all of the other history of
6 discrimination that we have. This TIL program is
7 that opportunity. It's always been that type of
8 opportunity for people of lower income. And in
9 regards to the income, you have to consider the AMI
10 always increases every year. So, we have to keep
11 that in perspective.

12 CHAIRPERSON SANCHEZ: That's why we are in this
13 situation because costs continue to increase. I do
14 need to move forward but I see two more hands, so go
15 ahead and thank you.

16 JOY CLARKE: I just want to say something real
17 quickly. Through TIL we were to by an apartment for
18 \$250 but through ANC, we were told we have pay
19 \$2,500. That's triple, double the number. It
20 doesn't makes sense.

21 CHAIRPERSON SANCHEZ: That's right.

22 LUISA RODRIGUEZ: Yes, thank you for giving me
23 the opportunity and I just want to bring to your
24 attention that in our case, this is only one building
25

2 I'm talking about. We were moved to HDFC's most of
3 us. Some to TIL, to other TIL buildings. Now, when
4 we were moved in 2008 to HDFC's, we kept paying our
5 original TIL rent but the rent that we have to pay to
6 the HDFC is like four times, three to four times what
7 we pay as TIL, right?

8 That difference HPD since 2008, has been
9 covering. We, the TA have to pay the host buildings
10 the full amount of the rent. So, that means that
11 what HPD refunds to us, that difference, still does
12 not cover what we paid out. My rent and the rent of
13 all the other tenants that were moved out since 2008
14 does not stay in our account, in our TA account. So,
15 that's one way that they know that they are depleting
16 our account. By not allowing renting, any vacancies,
17 and those people that were out, that rent doesn't
18 come to our account.

19 CHAIRPERSON SANCHEZ: Thank you.

20 LUISA RODRIGUEZ: That's mismanagement of that
21 space.

22 CHAIRPERSON SANCHEZ: Thank you. Thank you so
23 much and it's you know the holding hostage; the units
24 being held hostage is one way that I've heard it
25 described. So, thank you, I want to thank you all

2 for coming today. For waiting and you know HPD is
3 listening but they should be here in person and so I,
4 oh, there we go. We have our Deputy Commissioner,
5 Assistant Commissioner here. So, she is listening
6 but I just want to make sure that you know that we're
7 with you and we're going to continue to have these
8 conversations and hopefully get to an actual
9 resolution for the buildings that remain in TIL.
10 Thank you.

11 COMMITTEE COUNSEL: Our next panel will be Jose
12 Fernandez, Nelson Rodriguez, Lorraine Petlie and
13 Fermin Castro. You can come up to the table if
14 you're here.

15 LORRAINE PETLIE: Hello, thank you for having me
16 today. I'm a small homeowner calling with regards to
17 the oversight small homeowners in regards to the
18 preservation of homes. These programs that HPD have,
19 I see there's no ethicacy with their top tier, so the
20 lower city agencies are not going to have any ethical
21 ethicacy either.

22 I just want you to know that when you get one of
23 these programs that fix your homes, there's a lien
24 put on your home. There's a lien put on your home.
25 Not only is there a lien put on your home, there's

1 rent restrictions, there's moving restrictions. It's
2 an inequitable change if the city agency does not
3 meet its mission statement. It becomes inequitable.

4 And all I just want to say is, HPD should review
5 these documents that these city agencies have because
6 they're one sided. I'm not going to get into any
7 names or what happened because I'm going to court.
8 But what I'm saying to you is that they need to
9 review these documents. They need to have
10 transparency to let people know that you're going to
11 have a lien on your home. But this agency is not
12 doing or meeting its mission statement. It makes you
13 end up having violations on your home when they're
14 supposed to be helping you. Again, being held
15 hostage.

16 Again, all I want is there to be transparency
17 about what the exchange is when people go to get
18 these homes fixed. And what risk there is if the
19 work doesn't get done properly. And the city agency
20 takes no responsibility for it. Throws its hand up
21 and say, I owe you nothing. I'm not obligated to
22 have to fix your house. I'm not obligated to
23 guarantee you anything. And there in collusion with
24 these contractors.

2 I'm going to keep it short because I'm final.
3 I'm battered and I'm fighting for justice because it
4 was in just the way I was treated. It was in just
5 with the work that I had to put in. The physical
6 mentality here I am retired. I have to worry about
7 an exit plan in case my structure failed due to the
8 repairs. These were emergency repairs I had done.
9 If it was just a window or a door, maybe we could let
10 it go but these are major repairs.

11 The documents that they issue are one sided
12 documents. They have no mutual assent for the
13 homeowner.

14 CHAIRPERSON SANCHEZ: Thank you. Thank you and
15 it sounds like you are in the middle of a battle, so
16 if you would like to share more information with me
17 about your individual situation, I'd be happy to hear
18 more about it. Thank you so much.

19 LORRAINE RETLIE: I appreciate that. Thank you.

20 COMMITTEE COUNSEL: Thank you and I just give a
21 heads up to folks on Zoom. We'll be doing a Zoom
22 panel next, so please be ready to hear your name.
23 You can begin. Thank you.

24 FERMIN CASTRO: Fermin Castro, 2204 Amsterdam
25 Avenue and in apartment 1B. We became part of the

2 TIL program 1999 with a promise of maintaining our
3 building for three years. After that provision time,
4 we were told that they were going to sell the
5 apartment for \$250.

6 All that being happening is, lies, lies, broken
7 promises, and like last month, we went through four
8 coordinators in a month. This is unheard of. So,
9 it's like new people coming in, don't know what's
10 going on. Don't know what's going on and all we're
11 asking you Council Members is to help us because HPD
12 is nothing but lies and broken promises. People are
13 dying. About five people already died in my
14 building. My mom passed away also 2020 and I feel
15 now that now that she's gone, now I got more power to
16 fight HPD. Thank you.

17 CHAIRPERSON SANCHEZ: Thank you. Thank you so
18 much. You said 2204?

19 FERMIN CASTRO: Amsterdam Avenue.

20 CHAIRPERSON SANCHEZ: Amsterdam, okay. Thank
21 you. Thank you so much and we'll absolutely continue
22 to speak to see what is possible here. Thank you.

23 FERMIN CASTRO: Thank you.

24 COMMITTEE COUNSEL: So, we're going to move to a
25 panel on Zoom. You will receive a prompt to unmute

1 and when you do, please begin your testimony. We're
2 going to start with Danielle Manly then Kevin Wolf
3 followed by Carmen Vargas. So, Danielle Manley, when
4 you see the prompt please -

5 SERGEANT AT ARMS: Time starts now.

6 DANIELLE MANLEY: Hi, thank you. Can you hear me
7 okay?

8 CHAIRPERSON SANCHEZ: Yup.

9 DANIELLE MANLEY: Okay, great. My name is
10 Danielle Manley and I am the Manager of Policy at
11 Urban Green Council. We're an environmental
12 nonprofit based here in New York City with a mission
13 to decarbonize buildings for healthy and resilient
14 communities. Thanks so much for your time today and
15 hearing our testimony. So, I'm here today in support
16 of Intro. Number 689, which would add a new term and
17 definition to the city's construction codes for green
18 building projects in one- to four-family homes. It
19 would also eliminate a building permit fees for such
20 projects. And we support this for two big reasons.
21 The first is that we need to improve energy
22 efficiency in small buildings to reach our climate
23 targets. We've all heard that buildings contribute
24 to over two-thirds of the city's carbon emissions.
25

1 While much of the policy progress to date has been
2 focused on the city's biggest buildings, larger than
3 25,000 square feet.

4
5 Nearly half of all emissions from buildings come
6 from those that are smaller than that size. And so,
7 we can't meet our climate goals without [LOST AUDIO
8 [03:02:16]-[03:02:18] half bids like this one that
9 support work in them.

10 And the second is that there are over 860,000
11 one- to four-family homes across the city removing a
12 filing fee for green building projects is going to
13 make it easier for them to lower energy and carbon,
14 because cost is a major barrier to making [03:02:34].
15 So, knocking down these kinds of hurdles will make it
16 less expensive for homeowners to be a part of New
17 York City's climate solutions.

18 We also do have some recommendations to help
19 improve the bill that are in my written commends and
20 I'll mention on a high level here. The first is that
21 we suggest that you align the building size
22 categories with the existing breakdown in the city's
23 construction codes to make it consistent and clear
24 across the board. The second is to consider
25 separating the general definition of a green building

2 project from a specific size threshold, in this case,
3 one to four family homes. Since it's a newly defined
4 term that could have other applications to the
5 construction code.

6 Third, is to create detailed eligibility criteria
7 on what constitutes a green building project. The
8 current definition is a little ambiguous and could be
9 difficult to apply in practice.

10 I'd last just to clarify methodology for how the
11 fee waiver applies to permit applications.

12 SERGEANT AT ARMS: Time expired.

13 DANIELLE MANLEY: We think all of this can be
14 addressed in consultation with DOB and that will make
15 it easier for homeowners to understand their options
16 and city administrators to oversee. Thanks so much
17 for your time today and your leadership in moving the
18 needle on smaller building.

19 CHAIRPERSON SANCHEZ: Thank you so much.

20 COMMITTEE COUNSEL: Next, Kevin Wolf.

21 SERGEANT AT ARMS: Time starts now.

22 KEVIN WOLF: Great, thank you very much Madam
23 Chair for hosting this hearing and thank you to your
24 staff at the City Council who have been a delight to
25 work with and been very helpful. My name is Kevin

1 Wolf, I'm with the Center for New York City
2 Neighborhoods. We are one of the largest homeowners
3 service nonprofits in New York City and I wanted to
4 hit on a number of different items in our testimony
5 and will elaborate further in the written testimony.
6 First of all, one of the members of this Committee,
7 Council Member Brooks-Powers had brought out and had
8 some questions about our organization. So, we are,
9 we actually founded in part by the City Council at
10 the center in response to the 2008 financial crisis.
11 And the Council has been championing the issues of
12 affordable homeownership at the Center since we were
13 founded being one of our largest funders. The
14 Council actually funds the homeowner hub. It funds
15 the provision of free legal services from attorney's.
16 Free housing counselors from housing counsels and
17 free financial counselors through financial
18 counseling.

19 And so, the work that we do is extremely
20 important in preventing foreclosure, preventing
21 homeowners from losing their homes on the tax lien
22 sale, as well as providing a home repair through our
23 Home Fix program, which is one of the flagship
24 programs.
25

2 So, I wanted to make sure that the Council, all
3 the members of the Committee are aware of the support
4 that they provide to the center. And in addition,
5 the Homeowner Help Desk was founded by a member of
6 the City Council Rafael Espinal back in 2016 in
7 response to neighborhood change.

8 And so, the Homeowner Help Desk if available to
9 partner with the Council. We do outreach on the
10 ground where we bring attorneys as well as housing
11 counselors into the neighborhoods where the
12 homeowners are. We have partners all across the city
13 -

14 SERGEANT AT ARMS: Time expired.

15 KEVIN WOLF: And I will further elaborate and be
16 able to answer any questions. Thank you for your
17 time.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you so
19 much and thank you for your assistance in preparing
20 for this hearing.

21 COMMITTEE COUNSEL: Next, Carmen Vargas.

22 SERGEANT AT ARMS: Time starts now.

23 CARMEN VARGAS: Good afternoon. Hello, good
24 afternoon. I'd like to thank the Council Members for
25 giving us the opportunity to voice our opinions in

2 regards to our perspectives in regards to the ANCP
3 program and also the TIL program. I'd like to first
4 state that what Ms. Kim Darga stated in regards to
5 the low income and not low maintenance for the
6 affordable housing program is not true. My building
7 just converted about a year ago. My building 748
8 Beck Street in the Bronx and we now have four
9 mortgages, which we were not told we were going to
10 incur in the onset of the conversion of our building.

11 Also, it's overwhelming and unprecedented for
12 them to state that the TIL program no longer exists
13 as of 2006. When in 2020, they asked a building in
14 Manhattan, the address being 206 West 120th Street to
15 reapply to TIL. Now, if the program is nonexistent
16 in 2006, why would they ask them to reapply in 2020?
17 Thank you.

18 CHAIRPERSON SANCHEZ: Thank you so much for
19 sharing that.

20 COMMITTEE COUNSEL: Okay, Alexis Foote.

21 SERGEANT AT ARMS: Time starts now.

22 COMMITTEE COUNSEL: Arvena Moody.

23 SERGEANT AT ARMS: Time starts now.

24 COMMITTEE COUNSEL: Katlyn O'Connell.

25 SERGEANT AT ARMS: Time starts now.

2 COMMITTEE COUNSEL: Yoon?

3 SERGEANT AT ARMS: Time starts now.

4 COMMITTEE COUNSEL: Okay, thank you. This
5 concludes the public testimony. If you are present
6 and we have not called your name, please identify
7 yourself now on Zoom or in the room.

8 Okay, anyone else please let us know but thank
9 you all for your testimony today and we are ready to
10 close.

11 CHAIRPERSON SANCHEZ: Okay, thank you. Thank you
12 so much to everyone who joined us today. To my
13 colleagues who asked many great questions. To all of
14 the residents of TIL properties that are waiting for
15 a solution, I really want to appreciate your time and
16 reiterate this Council's commitment to continuing to
17 work with you and with the advocacy organizations
18 that are helping to shepherd your buildings hopefully
19 and to your rightful ownership of the building. And
20 then to the bigger picture, you know this
21 Administration and this Council have both, we both
22 expressed a desire to promote homeownership
23 opportunities in the City of New York and we need to
24 make sure that we are putting our money where our
25 mouth is. We need to make sure that you know we are

2 not producing just 26 units per year through the
3 Open-Door program. That we're greatly expanding that
4 and that we are dedicating the resources and
5 continuing to address the staffing challenges within
6 the agency. And on the side of protecting existing
7 homeowners, we also need to make sure that DOB and
8 other agencies that interface with our homeowners are
9 offering supports to these homeowners and are doing
10 so in a way that is accessible and real for them.

11 So, with that, thank you so much to the Committee
12 Counsel Taylor Zelony and all of the staff for your
13 preparation with this hearing today. I am aware that
14 one more person has joined the Zoom, so we will allow
15 them to testify and then I will gavel us out.

16 COMMITTEE COUNSEL: Thank you Chair Sanchez.
17 Alexis Foote, you may begin.

18 ALEXIS FOOTE: Hello, my name is Alexis Foote and
19 I am a resident of Arverne View and we are currently
20 going through a Mitchell Lama rent increase. And
21 when we transferred over in 2013, when we were bought
22 by L&M, we were not given the opportunity for
23 homeownership. I am in District 31. We are
24 suffering from inadequacies in housing and
25 inadequacies and we cannot afford a home increase.

1
2 And if we do get an increase, we need to be
3 homeownership. We were not given an opportunity and
4 I thank you for having this. I am also the founder
5 of the ReAL Edgemere CLT here in Far Rockaway and we
6 demand that no more housing be built. No more
7 housing being built and if there is housing that's
8 going to be built, it has to be through the Community
9 Land Trust. Please continue to support the Community
10 Land Trust and I support this bill because HPD needs
11 help because they are understaffed and they cannot
12 handle the housing crisis.

13 I am 39 years old and New York City has failed
14 me. I was awarded the state. I was a part of
15 Catholic Home Bureau. I know what it is to have to
16 live in 78 Catholic Street. 78 Catholic Street is a
17 shelter that's inside of a NYCHA development. I have
18 been at the home for the homeless. My first
19 apartment was here when I was 22 years old. I am 39
20 now. I am married. I have three kids. Me and my
21 husband both work. We are at the brink of leaving
22 New York and we don't want to leave New York. New
23 York is pushing Black and Brown people out at
24 multiple numbers.

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Please support this initiative. Please support Community Land Trust and we need declarations. Thank you. New York City owes the kids of 80's reparations and that's how we're going to get what we need through reparations.

CHAIRPERSON SANCHEZ: Thank you. Thank you so much Alexis, I really appreciate you coming on to testify. And it's a very big challenge we have with Mitchell Lama Properties, so thank you so much. With that, since I have already shared my closing statement, I will call this meeting to a close. Thank you everyone. [GAVEL]

C E R T I F I C A T E

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



Date May 25, 2023