

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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March 6, 2024
Start: 10:18 a.m.
Recess: 12:40 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Pierina Ana Sanchez, Chairperson

COUNCIL MEMBERS:

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Adam Roberts, Policy Director for the Community Housing Improvement Program

2 SERGEANT-AT-ARMS: This is a microphone
3 check for the Committee on Housing and Buildings,
4 recorded on March 6, 2024, located in Chambers by
5 Nazly Paytuvi.

6 SERGEANT-AT-ARMS: Good morning, everyone,
7 and welcome to today's New York City Council hearing
8 for the Committee on Housing and Buildings.

9 If you wish to submit testimony, you may
10 add testimony@Council.nyc.gov.

11 At this time, please silence all
12 electronic devices.

13 Just a reminder, no one may approach the
14 dais at any point during this hearing.

15 Chair, we are ready to begin.

16 CHAIRPERSON SANCHEZ: [GAVEL] Good
17 morning. I'm Council Member Pierina Sanchez, Chair of
18 the Committee on Housing and Buildings, and I want to
19 thank you all for joining today's hearing on the 2023
20 Housing and Vacancy Survey. I want to welcome Council
21 Member Alexa Avilés from the Housing Committee, and
22 it's just the two of us. Many of my Colleagues are
23 downstairs.

24 In New York City, roughly one million
25 renter households have been protected by rent

2 regulation for decades guaranteeing them a right to
3 lease renewal, regulating their rental increases from
4 lease to lease as voted on by a Rent Guidelines
5 Board, and protecting them from frivolous evictions.
6 Established in 1969, rent regulation has become a
7 feature of the New York City housing policy as a
8 critical part of the response to the City's ongoing
9 housing crisis. The rental protections provided by
10 rent regulations have been a key pillar of three that
11 must move forward in order for the city to progress
12 against the housing crisis. We must increase housing
13 supply with tax expenditures, in my opinion, solving
14 for the deepest need, we must strengthen tenant
15 protections, and we must expand income supports to
16 aid New Yorkers in affording their homes.

17 We gather today because the laws
18 establishing rent regulation in the city are subject
19 to renewal every few years. In order to renew rent
20 regulation, the City Council must evaluate the
21 results of the Housing Vacancy Survey and pass a
22 resolution finding that, if because there is still a
23 housing shortage defined in State Statute as a
24 vacancy rate below 5 percent, there is then a
25 continuing need for rent regulation. The Council must

1 also pass and the Mayor must sign a local law
2 updating the expiration date for rent regulation. The
3 rent laws are currently set to expire on April 1,
4 2024. In order to determine whether there is a
5 housing shortage, the City relies on the Housing
6 Vacancy Survey, or HVS, conducted by the Department
7 of Housing Preservation and Development and the U.S.
8 Census Bureau every three years. The Committee will
9 hear from the Department of Housing Preservation and
10 Development today on the findings of the 2023 HVS,
11 which this year highlight a vacancy rate of 1.4
12 percent, which represents the lowest vacancy rate in
13 56 years. This low rate highlights that our city's
14 intersecting crises of rising evictions, record
15 homelessness, and housing unaffordability are only
16 worsening. The vacancy rate is even more dire for
17 those units with the lowest rents. Units renting for
18 less than 1,100 dollars per month had an availability
19 of 0.39, and units renting for 1,100 dollars to 1,649
20 dollars had an availability rate of 0.91. The HVS
21 also found a crippling reality for the lowest-income
22 New Yorkers, 86 percent of households earning less
23 than 25,000 dollars per year, the median worker in my
24 District, was severely rent-burdened. Now, more than
25

2 ever, we must continue working to ensure that the
3 City's housing shortage is addressed, paying special
4 attention to our lowest-income New Yorkers who have
5 extremely limited housing options.

6 Today, we will hear an overview of the
7 HVS findings, and we will hear one bill and one
8 resolution, both sponsored by me. One in relation to
9 the continuation of rent stabilization laws of 1969,
10 and, second, the resolution determining that a public
11 emergency requiring rent control in the City of New
12 York continues to exist and will continue to exist on
13 or after April 1, 2024.

14 To better understand the survey results,
15 I will also be asking the Department to expound upon
16 several findings including trends in median tenant
17 incomes increasing by 20,000 since the last HVS and
18 demographic data showing a couple of things, New York
19 City still has several hundred thousand residents
20 less than we did prior to the pandemic, we have more
21 units online and a higher vacancy rate so how does
22 the Department explain these numbers?

23 I would like to thank my Chief-of-Staff
24 and my entire Team, Sam Cardenas, Kadeem Robinson,
25 Gerard Fernandez, Adrian Magali Mendez (phonetic),

2 Maria Villalobos, and Paola Olivo from my District
3 Team. I'd also like to thank the Housing and
4 Buildings Committee Staff, Taylor Zelony, Austin
5 Malone, welcome for planning your first hearing
6 today, Jose Conde, Andrew Bourne, Dan Kroop, Reese
7 Hirota for their help in preparing for this hearing
8 today. I would also like to thank my colleagues on
9 the Committee for joining.

10 Now, I will turn it over to the Committee
11 Council to administer the oath.

12 COMMITTEE COUNSEL ZELONY: Thank you.
13 Please raise your right hand.

14 Do you affirm to tell the truth, the
15 whole truth, and nothing but the truth before this
16 Committee, and to respond honestly to Council Member
17 questions?

18 FIRST DEPUTY COMMISSIONER TIGANI: I do.

19 CHIEF RESEARCH OFFICER GAUMER: I do.

20 COMMITTEE COUNSEL ZELONY: Thank you. You
21 can begin.

22 FIRST DEPUTY COMMISSIONER TIGANI: Good
23 morning, Chair Sanchez and Members of the Housing and
24 Building Committee. I am Ahmed Tigani, First Deputy
25 Commissioner for New York City Department of Housing

2 Preservation and Development. I'm joined by my
3 colleague, Dr. Elizabeth Gaumer, HPD's Chief Research
4 Officer. I would like to thank the Committee for
5 welcoming us today to testify in support of pre
6 considered resolution T2024-1227 and Preconsidered
7 Introduction T2024-1228 and to discuss the initial
8 findings from the 2023 New York City Housing and
9 Vacancy Survey, New York City HVS.

10 HPD submitted these findings to the
11 Council on February 8, 2024. For nearly six decades,
12 the New York City HVS has been one of our most
13 important tools for addressing the housing needs of
14 the City, has provided critical data that informs our
15 understanding of the City's housing stock and has
16 established the City's net vacancy rate, which the
17 Council must consider when determining if New York
18 City is in a state of housing emergency. Pursuant to
19 state law, a housing emergency is determined based on
20 the supply and condition of housing accommodations
21 within a municipality and an identified need for
22 regulating and controlling residential rents. The
23 continuation of rent stabilization and rent control
24 in the City depends on the determination by the
25 Council that a state of housing emergency still

2 exists. Local law also requires that a survey be
3 conducted to examine the supply of housing, the
4 condition of housing, and the need for continuing
5 regulation and control of residential rents and
6 evictions. The New York City Housing Vacancy Survey
7 is a representative survey of the City's housing
8 stock that has been carried out about every three
9 years since its first incarnation in 1962. It is the
10 longest running housing survey in the country and is
11 of critical importance for understanding how our City
12 is changing and what we can and should do to support
13 improvements in policy and programming. It is the
14 most up-to-date and representative survey available.
15 As you know, if the Council believes that the City is
16 still in a state of housing emergency, it must pass
17 the resolution and introduction being heard today
18 between 30 and 60 days from receiving findings of the
19 New York City Housing Vacancy Survey, and the Mayor
20 must sign the legislation before April 1, 2024, in
21 order to extend rent control and rent stabilization.

22 Before turning the microphone over to the
23 Chief Research Officer, I want to emphasize my
24 gratitude to Liz and the entire team that ran the
25 survey over the past two years, to the hundreds of

2 New Yorkers who worked as census field
3 representatives, and to the thousands of New Yorkers
4 who dedicated their time and shared their
5 information. The people of the City of New York, and
6 especially the million or so households who live in
7 rent-controlled and rent-stabilized housing are
8 deeply indebted to their service.

9 CHIEF RESEARCH OFFICER GAUMER: Good
10 morning. Thank you. I am Elizabeth Gaumer, Chief
11 Research Officer at HPD. Thank you for the
12 opportunity to testify before the Council today. My
13 testimony here will present the main findings from
14 the 2023 New York City Housing and Vacancy Survey,
15 selected initial findings including key statistics on
16 the supply of housing, its condition, and the
17 continued need for the regulation of residential
18 rents and evictions.

19 Before I present those findings, I would
20 like to take a brief moment to talk about the source
21 of these data and the importance of the survey. All
22 of the data presented today, as well as those in our
23 report, come from the data collected as part of the
24 New York City Housing and Vacancy Survey. The 2023
25 survey is the 19th time the City of New York has

2 conducted the NYC HVS, which is completed about every
3 three years going back to 1965 in partnership with
4 the U.S. Census Bureau. It is the longest running
5 housing survey in the country and is a unique source
6 of timely and accurate data on various aspects of our
7 City's housing and resident population that is relied
8 on by policy makers working on topics as varied as
9 poverty, immigration, health and, of course, housing
10 among others. The NYC HVS is a scientific survey
11 distinct from much of the other data available to us.
12 It represents every residential unit in the five
13 boroughs. Our sample is randomly drawn from a
14 complete list of all residential addresses in the
15 City to ensure that our data are inclusive of every
16 type of housing in every community. At the heart of
17 our data are the interviews completed each cycle with
18 thousands of New Yorkers. In 2023, we completed about
19 10,000 interviews. These interviews are conducted by
20 trained census field representatives in multiple
21 languages using a set of questions that are designed
22 and tested to ensure that they collect data in an
23 accurate and neutral way. Interview data are combined
24 with other information from administrative records
25 including the State's homeless and community renewal

2 rent registration data, code enforcement data, tax
3 information from the New York City Department of
4 Finance, HPD's own production data, and others. Our
5 census field team conducts in-person observations of
6 every unit, and our data are weighted by survey
7 statisticians at the Census Bureau to ensure that the
8 NYC HVS represents all of the 3.7 million housing
9 units and more than 8 million people who call New
10 York City home. All of the units sampled for the 2021
11 survey were also part of the 2023 survey, enabling us
12 to examine not only point-in-time changes between the
13 two surveys but also look at change within units and
14 within households. The NYC HVS survey methodology
15 follows the best practices used by academic and
16 scientific studies across the country and enables us
17 to report reliable and valid information to all of
18 you and to the New Yorkers represented in our data.

19 The 2023 NYC HVS The NYC HVS was
20 conducted from January through the middle of June in
21 2023. Although the NYC HVS is the most up-to-date
22 representative information we currently have
23 available, it is important to note that it reflects
24 this point in time. The estimates we share today, as
25

2 well as the information provided in the report, are
3 based on that time period.

4 With that, let's turn to the findings.

5 The citywide net rental vacancy rate in 2023 was 1.41
6 percent. That's one of the lowest vacancy rates
7 recorded since the NYC HVS began and stands in stark
8 contrast to the 4.54 percent vacancy rate reported in
9 2021, which was one of the highest vacancy rates on
10 record. There was very limited supply across all
11 price ranges but, of those that were available, most
12 would not be affordable to the typical New Yorker.
13 The median asking rent for units available for rent
14 in 2023 was 3,000. A family would have to earn at
15 least 120,000 to afford that. Yet the median income
16 of New York City renters in 2023 was 70,000. We see a
17 continued severe shortage of supply among lower-cost
18 rental units. units. The net rental vacancy rate was
19 less than 1 percent for units renting for less than
20 1,650 in both 2021 and 2023. Where we have seen
21 significant changes among higher cost units, where
22 the net rental vacancy rate has dropped to
23 historically low levels in '23. To understand these
24 changes, I'd like to walk through the components of
25 our housing supply with a specific focus on how it

2 changed by comparing point-in-time estimates between
3 the two surveys. In 2023, there were 3.7 million
4 housing units in New York City. This is the largest
5 stock recorded since the NYC HVS began in 1965, and
6 it represents a net increase of 61,000 housing units,
7 or about 2 percent relative to 2021, which is the sum
8 of both losses and gains. This growth in the housing
9 supply continues the trend seen over the last several
10 NYC HVS cycles but, despite the increase in supply,
11 it failed to keep pace with increased demand. Between
12 2021 and 2023, the total number of occupied units
13 increased by 275,000, or 9 percent relative to just
14 two years prior. This increase in households was seen
15 for both renters and for owner-occupied units. This
16 tight housing market meant that more units of every
17 kind were occupied in 2023, including far fewer units
18 available for rent and far fewer units that were off
19 the market.

20 Let's look at the changes in a different
21 way. Here, we're looking at the units that were in
22 both the 2021 and 2023 surveys to assess what
23 happened to them over the last two years. 95 percent
24 of the units that were occupied in 2021 were also
25 occupied in 2023, though not always by the same

2 household, 83 percent of the units that were
3 available for rent in 2021, as a reminder, those were
4 almost all uniformly very high-cost units in '21, 83
5 percent of those were now occupied in 2023, and 62
6 percent of units that had been off the market in 21
7 were occupied when we went back and interviewed in
8 2023.

9 The NYC HVS measured housing conditions
10 through self-report of the current occupants
11 regarding housing problems. In 2021, 14 percent of
12 occupied units reported three or more of the seven
13 types of problems that we measure. The prevalence of
14 housing problems increased again in 2023 to 15
15 percent, so a net increase of one percentage point.
16 Both rent-stabilized and market rentals showed
17 similar net changes in the rate of reported problems.
18 Between '21 and '23, 8.2 percent fewer rent-
19 stabilized units reported having no housing problems
20 in our interview, while 7.6 percent fewer market
21 rents reported no problems. The median rent in New
22 York City was 1,641 in 2023. Citywide, rents
23 increased by 9 percent in nominal terms since 2021,
24 generally in line with our historically high
25 inflation during that same period. Rent-stabilized

units increased by 7 percent in nominal terms with a median rent below citywide. The median rent for rent-stabilized units was 1,500 in 2023. In contrast, market rentals increased by 10 percent in nominal terms with a median rent of 2,000 dollars.

When we examine the distribution of household incomes, we see a stark shift upward. Between '21 and '23, the median household income in New York City increased to 80,000 from just above 60,021. During this period, there was a large net increase in the number of households earning 100,000 dollars or more, up by almost half a million households, and a net loss of the lowest income households. Using the subset of NYC HVS data that were in both the '21 and '23 surveys, we examined the incomes of renters across different groups. The first group in this chart shows renters who stayed in the same home and were interviewed in both surveys, the second group shows renters who moved out after the 2021 survey, out of their homes to somewhere else, the third group then is the renters who moved into those same units that the second group vacated, and the last group on the right here shows the renters who moved into a unit that had been vacant in 2021.

We found across all these groups that higher-income renters moved in where lower-income renters moved out, and then a full half of the households that moved into units that had been vacant in 21 earned 100,000 or more. Within that group, the median income was 192,000. We separately looked at those who moved to the city since 2021 to understand the composition of the newest New Yorkers. The vast majority of these, over 95 percent, were renters. 53 percent earned 100,000 dollars or more. Overall, their median income was 105,000 dollars, and among those earning 100,000 dollars or more, the newest New Yorker's median income was 200,000 dollars. The newest New Yorkers were more likely to live alone, 44 percent compared to 37 percent, and to be headed by someone who was white, 52 percent compared to 32 percent of renters citywide. For the first time in many cycles of the NYC HVS, the share of renters who were rent-burdened or paying more than a third of income toward rent went down, from 53 percent in '21 to 43 percent in '23. This was driven by the larger number of high-income households and not by the increasing affordability of the rental stock. When we look at rent burden by income, we see stark differences for

2 low-income New Yorkers compared to those earning
3 more. 86 percent of the lowest-income renters who did
4 not benefit from rental assistance were severely rent
5 burdened or paying more than half of their income
6 toward rent. An additional 4 percent were moderately
7 rent-burdened or paying between 30 and 50 percent.
8 This remains unchanged since 2021. In contrast, 91
9 percent of renters with household incomes of 100,000
10 dollars or more were in housing that was affordable
11 to them, that is they paid less than a third of their
12 income for housing.

13 Beginning in 2021, the NYC HVS also
14 collected information about renters who were unable
15 to make rental payments on time. In 2023, 13 percent
16 of renter households reported being late or missing a
17 rent payment at least once in the prior year. That
18 was unchanged since 2021. We also collected followup
19 information on whether any of these 13 percent of
20 renters were still behind on rent at the time of the
21 NYC HVS survey. 34 percent reported still being in
22 arrears, up from 29 percent in 2021.

23 In summary, the 2023 NYC HVS showed stark
24 changes in the two years since our last survey. The
25 citywide net rental vacancy rate was historically low

1 at 1.41 percent. There was very limited supply across
2 all price ranges, but of those that were available,
3 most would not be affordable to the typical New
4 Yorker. While the overall supply continued to
5 increase, it was insufficient to keep pace with the
6 large net increase in the number of households. The
7 prevalence of housing problems increased across all
8 types of housing, back to levels similar to what we
9 had found in the 2011 survey. Citywide, rents
10 increased at a pace similar to our historically high
11 inflation during this period, up 9 percent in nominal
12 terms. Low-income New Yorkers continued to experience
13 high levels of rent burden, and many were unable to
14 make rent payments. Perhaps the most dramatic shift
15 was in household incomes. Between '21 and '23, there
16 was almost a half million more households earning
17 100,000 dollars or more, with a net loss of the
18 lowest income New Yorkers. More than half of the
19 households who moved to New York City between '21 and
20 '23 earned 100,000 dollars or more as were the
21 renters who moved into units that had been vacant in
22 2021. New York City continues to see diverging
23 experience where low- and middle-income New Yorkers
24 face limited housing choice while more New Yorkers
25

2 with more purchasing power continue to grow in
3 numbers.

4 I'll turn it back now over to the first
5 Deputy Commissioner.

6 FIRST DEPUTY COMMISSIONER TIGANI: Thank
7 you. Thank you again for the opportunity to testify,
8 and we'd be happy to answer any questions.

9 CHAIRPERSON SANCHEZ: Thank you so much.
10 It's hard to feel this sad after a presentation just
11 full of numbers, but, yeah. I actually feel emotional
12 after hearing you, Dr. Gaumer, spell out the numbers
13 in this way.

14 In particular, validating what the
15 experience is on the ground, right, about how tough
16 the lowest-income New Yorkers really do have it,
17 especially those that are not receiving any rental
18 assistance help so I'm going to start with a few
19 questions and then I want to turn it over to
20 Colleagues just to be respectful of their time and
21 then circle back.

22 Starting very broadly for the agency,
23 what does a vacancy rate of 1.4 percent mean and, in
24 particular, a 1.4 vacancy rate that is comprised of
25 the breakdown that you just shared?

2 FIRST DEPUTY COMMISSIONER TIGANI: If I
3 can first start with that answer, and I also want to
4 highlight a couple of other things that I think gets
5 to the question that you asked. As Dr. Gaumer's
6 testimony highlighted, from the findings in the 2023
7 HVS, something's very clear. As the City has emerged
8 from the COVID 19 pandemic, our housing crisis has
9 worsened over the last two years, and New Yorkers are
10 feeling this as multiple fronts as you had indicated
11 in your response. Too many New Yorkers are
12 experiencing rising costs and are worried about being
13 able to pay the rent and many others are unable to
14 move to a new home because of the dearth of low-cost
15 apartments on the market. While the housing shortage
16 is felt by all households, low-income households feel
17 this the most deeply. They face the lowest vacancy
18 rates amongst homes they can't afford and experience
19 the highest levels of rent burden so this brings us
20 to the important role of rent stabilization housing
21 in our city. A strong rent stabilization system,
22 coupled with our unparalleled investments in
23 affordable housing, has helped ensure that we have as
24 much low-cost housing as we do and has helped many
25 New Yorkers remain in their homes and exercise the

2 choice to stay in their neighborhoods. Rent-
3 stabilization supports our work in affordable
4 housing, the housing we finance is rent-stabilized in
5 exchange for our public investment, and provides an
6 extra layer of protection for those renters. HPD is
7 focused on advancing our pipeline of deeply
8 affordable housing projects, preserving our remaining
9 stock of low-cost and affordable housing, and
10 supporting critical efforts to build more housing
11 citywide. However, we do need more to address the
12 need, and it requires action and partnership at both
13 the local and state levels to address the issues and
14 the findings that you see in this survey. With this
15 year's state legislative session in full swing, we
16 urgently need action from our partners in Albany to
17 enact a housing agenda to allow us to build and
18 preserve more housing efficiently, effectively, and
19 equitably. At the local level, we need to work hand-
20 in-hand to maximize all avenues for housing
21 development, including, but not limited to,
22 affordable housing development, and we need the
23 support of the City Council to continue to advocate
24 for and champion new housing across every borough and
25 every neighborhood in our city. We are thankful for

2 Speaker Adams' leadership and this Council's support
3 in passing the Fair Housing Framework Law, which is a
4 consequential step towards ensuring every
5 neighborhood contributes to building more housing,
6 including low-cost and affordable housing in our
7 city. In passing the City of Yes Housing Opportunity,
8 the City Council can take a monumental next step to
9 unlock housing opportunities citywide and helping us
10 fulfill the spirit of the fair Housing framework law.
11 At the same time, we must continue to invest in and
12 preserve our limited stock of low-cost housing to
13 preserve further exacerbating the existing housing
14 crisis. In focusing on the findings and focusing on
15 the legislation that we're here to discuss, the net
16 rental vacancy rate is less than 5 percent, a
17 precondition to a finding of housing vacancy. That is
18 what the survey has shown us. We have provided
19 information about the supply, condition, and
20 continued need within our housing stock. We shared
21 data indicating that many of our neighbors,
22 especially low-income New Yorkers, are struggling to
23 remain stably housed in our city. We look to the
24 Council to determine whether we remain in a state of
25 housing emergency and in turn the future of our rent-

2 stabilized and rent-controlled housing stock. I'll
3 turn it over to Dr. Gaumer to go further.

4 CHIEF RESEARCH OFFICER GAUMER: Thank you.
5 I think of all of the findings from the '23 survey,
6 the net rental vacancy rate is very telling of how
7 dramatic some of the changes are that we've seen in a
8 relatively very short period of time over this two-
9 year period relative to our '21 survey. The net
10 rental vacancy rate of 1.41 percent is certainly
11 dramatically lower than it had been just two years
12 prior, but I think it's also important to note where
13 there have been consistent findings across both of
14 those surveys, and that is a very large shortage of
15 the lowest-cost units. All of those with rents below
16 the median of 1,650 continue to have a net rental
17 vacancy rate of less than 1 percent, the same as in
18 our '21 survey.

19 CHAIRPERSON SANCHEZ: Thank you, Doctor
20 Gaumer, and thank you, First Deputy. Turning to
21 questions about the survey, as First Deputy
22 mentioned, it is a precondition that this Council
23 finds that the vacancy rate is less than 5 percent so
24 just going to ask several questions about the survey
25 itself, survey methodology. Can you tell us about the

2 collaboration between the Census Bureau and the
3 agency? How is the data collected? How is a
4 representative sample across housing types ensured?

5 CHIEF RESEARCH OFFICER GAUMER: Sure. I
6 covered some of that in my testimony today, but I'm
7 happy to go through that. It's an incredibly
8 important part of what this survey does. It's
9 incredibly important that we provide the most
10 accurate and reliable information so I'm always happy
11 to answer questions about our approach and our
12 methods.

13 The NYC HVS follows best practices in
14 representative surveys. We start by drawing a
15 statistical sample of units from the entire
16 residential address list in New York City so that's
17 our frame. That's a first incredibly important step
18 here to make sure that we're not only selecting and
19 interviewing a certain type of unit or a subset of
20 units that are easier or more convenient to
21 interview, right? It's important that every single
22 housing unit has a chance of being sampled, and then
23 our census team, which comprises several hundred
24 people, works those cases. They recruit households.
25 If it's an occupied unit, they seek to interview the

2 most knowledgeable person who lives there, collecting
3 a whole range of information about their unit, their
4 building, themselves, and anyone else who lives with
5 them. If our census team finds that the unit is not
6 occupied, then they complete a separate interview
7 that asks questions that are specific for what we are
8 looking to understand there, and that can be
9 completed either with an owner or managing agent,
10 sometimes a combination of people, in order to get
11 the most accurate and complete information. Those
12 interviews really are, as I testified today, the
13 heart of our survey. We feel it is incredibly
14 important to speak to New Yorkers about what is
15 happening in New York City but, that said, we also
16 then leverage additional information that we match to
17 our sample. The Census Bureau has been great partners
18 in helping us to do that. We include all kinds of
19 other secondary information, including all of HCR's
20 rent registration data, not just as of the moment, in
21 fact, going back at least a couple of decades. We
22 match to other information with tax records, HPD
23 production. We've recently partnered with the OCA to
24 be able to match eviction records. This gives us
25 additional rich information that's just not feasible

2 to collect in an interview setting but, again, all of
3 that is matched to this representative sample that
4 makes sure that we have coverage of all of those
5 types. Of course, then, our data are weighted to
6 account for who we actually were able to reach based
7 on the inverse probability of selection and follows
8 again all of those best practices for appropriate
9 survey methodology.

10 CHAIRPERSON SANCHEZ: Thank you so much.

11 I'd like to acknowledge we've been joined by Council
12 Member Restler and Council Member Feliz.

13 I'm going to ask one more question before
14 I turn it over to Council Member Avilés followed by
15 Restler. Regarding one of the findings that I find to
16 be the most striking, it is this jump in high-income
17 households and a complementary, maybe, replacement,
18 there's been replacement of low-income households by
19 high-income households so a policy question. For
20 renters whose income is less than 25,000 and who do
21 not have subsidized housing, you mentioned that 86
22 percent are severely rent-burdened but the full 90
23 percent are rent-burdened, what is HPD doing to
24 address this affordability issue and, in particular,
25 I know the Council and the Administration are at odds

2 about FHEPS voucher expansion, but the Mayor in the
3 State of the City announced an expansion of Section 8
4 housing vouchers to address the crisis. Can you tell
5 us what the status of that is, and can you tell us
6 about any federal advocacy that the agency is doing,
7 particularly as Washington D.C., as Congress debates
8 LIHTC reforms?

9 FIRST DEPUTY COMMISSIONER TIGANI:

10 Absolutely, and thank you for the question, Chair.
11 First and foremost, I want to reiterate that the most
12 critical and largest and abundant supply of
13 affordable housing is our rent-regulated stock and
14 making sure that's protected, making sure that we are
15 investing in buildings that have that rent-regulated
16 stock is a major priority for the Administration, our
17 preservation work and the dozen or so different term
18 sheets that we have targeted to different types of
19 rent-stabilized and rent-regulated apartments ensures
20 that we are helping maintain that in addition to
21 making sure that owners are following the rules and
22 regulations attached to rent-regulation overall.
23 Separately, we obviously need more housing to meet
24 the need in the City. HPD is committed to doing its
25 part to build housing that targets and helps our most

2 vulnerable New Yorkers. You can tell just by our
3 calendar of '23 figures in new construction alone
4 that 41 percent of our subsidized new construction
5 went to helping extra low-income families up to 30
6 percent AMI, 58 percent of our subsidized new
7 construction went up for two families up to 50
8 percent AMI, a household of three making 63,000, and
9 88 percent of that new construction amount helped
10 families up to 80 percent AMI. In addition, we layer
11 vouchers to help continue to reach the deepest and
12 most in need of support, so rental assistance
13 supplementing that work, in addition to ensuring that
14 those buildings have a financing framework that works
15 in the long-term by including multiple income tiers,
16 because not only are we here to help one side, but we
17 also see that there's a need for moderate- and
18 middle-income families. The other thing that we need
19 to see is housing production throughout the
20 (INAUDIBLE) industry so subsidized housing is one
21 part, but we need to be able to have both as-of-right
22 and subsidized housing. We need the State to help us
23 with as-of-right tax benefit. We need to see our
24 ability to have more flexible residential floor area
25 permission at the local level so we can build more in

2 areas that have assets and a zoning framework that
3 allows us to do more. We need to allow and have more
4 permissible development in every neighborhood through
5 City of Yes, so that every neighborhood is part of
6 the housing solution and, yes, part of our funding
7 for affordable housing comes from City tax levy. This
8 Administration has put in 23 billion over a 10-year
9 plan, the most that we've seen in capital investment
10 in affordable housing but, more so than that, we
11 depend on low-income tax credits from the federal
12 government to make sure that our housing, especially
13 housing for our most vulnerable population, is met so
14 we are advocating right now, there's a bill in
15 Congress that would help us tremendously and we would
16 seek any support from the Council to see Congress
17 pass that bill so we can get more flexible low-income
18 tax credits to support that work. Again, subsidized
19 housing is critical. We continue to use this data and
20 other data to target it toward our most vulnerable
21 families who are using HPD Section 8 vouchers to make
22 sure that our housing continues to reach deep for the
23 most vulnerable families, but we also need support
24 across the board for as-of-right and subsidized

2 housing through more flexible regulatory and zoning
3 frameworks.

4 CHAIRPERSON SANCHEZ: Thank you. My
5 understanding is that HR7024, the Tax Relief for
6 American Families and Workers Act, which is
7 considering LIHTC reform, does not include any
8 changes that would allow the City of New York to
9 provide lower income housing than we do so I will
10 support, and I'll ask my Colleagues to join, but we
11 need to do more.

12 You mentioned the AMI levels, the low-
13 income levels at which HPD has been targeting
14 production. What AMI level does a 25,000 per year
15 income correspond to?

16 FIRST DEPUTY COMMISSIONER TIGANI: As I
17 mentioned, our subsidized housing for our extra-low-
18 income households and our very-low-income households,
19 so that's around 30 percent AMI and lower. You can
20 see in our Calendar Year 2023 numbers that we were
21 subsidizing down from 30 percent AMI, 41 percent of
22 our new construction for 30 percent AMI and lower.
23 Additionally, and again in partnership with the
24 Council, legislation was passed to make sure that we
25 had pathways for homeless New Yorkers as well so at

2 least 15 percent of our term sheets are set aside for
3 homeless New Yorkers. In addition, we have developer
4 partners who may volunteer more. We have between 15
5 and 30 percent of our projects have a flex to be able
6 to do that so we work closely with those developers
7 and DSS to make sure that we have opportunities in
8 our pipeline to continue to push to help our most
9 vulnerable New Yorkers. Beyond that, through a
10 combination of financing and rental assistance, we
11 are able to do even more.

12 CHAIRPERSON SANCHEZ: Going to attempt to
13 answer my own question. I appreciate that
14 reiteration, but an income of 25,000 dollars a year
15 for a household corresponds to much less than 30
16 percent of AMI, and we're talking about 90 percent of
17 households that earn less than 25 percent. Those are
18 the ones that are suffering the most, and our
19 policies, our term sheets are producing, the lowest
20 AMI that is covered is 30 percent, right, complete
21 mismatch. The only way that we get to those folks is
22 vouchers so what is the Administration's update on
23 the Section 8 voucher expansion?

24 FIRST DEPUTY COMMISSIONER TIGANI: I would
25 say that the Section 8 voucher expansion, that

2 particular program is being overseen by NYCHA. HPD
3 vouchers continue to be available to support lower-
4 income tenants in our development supply. We also
5 have tenant referrals that go through special purpose
6 vouchers, like for individuals with disabilities or
7 we have vouchers that again are focused on homeless
8 and at-risk homeless households. Just recently, we
9 were able to put 7,800 vouchers collectively between
10 NYCHA and HPD into our communities through the
11 Emergency Housing Voucher Program so I would defer to
12 NYCHA on the question of the Section 8 rollout, but
13 they have been fully focused on making sure that's a
14 successful program moving forward. For HPD, we
15 continue to advocate for more vouchers at the federal
16 level, but we are almost at 100 percent utilization
17 to make sure that we are not wasting any vouchers and
18 they are in the hands of people who need them so they
19 can get housing in New York City.

20 CHAIRPERSON SANCHEZ: Thank you. I'm now
21 going to turn it over to Council Member Avilés.

22 COUNCIL MEMBER AVILÉS: Thank you, Chair.
23 Thank you all. I ditto the sentiments of the Chair
24 around how depressing this story is, and certainly it
25 matches what we see in our District offices all the

2 time increasingly where our most vulnerable New
3 Yorkers have no options. We're in a critical state.
4 I'd like to just make sure I understand following the
5 previous line of questioning around the term sheets
6 and the lowest-income New Yorkers, particularly the
7 25,000-dollar-income band, which is what I see a lot
8 in my District, particularly seniors with no options
9 for them. Did you just say that 30 percent is what
10 you're requiring in the term sheets for this income
11 band?

12 FIRST DEPUTY COMMISSIONER TIGANI: No. Our
13 term sheets and each of our new construction term
14 sheets have specific parameters. For instance, for
15 seniors in particular, we have a senior housing new
16 construction term sheet called the SARA program, and
17 in that program, we actually do 100 percent project-
18 based voucher, which allows us to have a lot of
19 flexibility to reach the most vulnerable seniors and
20 those vouchers allow us to not only use the project-
21 based vouchers for applicants through Housing
22 Connect, who have very tight and low incomes, but we
23 also have a set-aside for homeless seniors so we're
24 able to make a pathway as well. Our ELLA term sheet,
25 which is for extra low and low-income households has

2 specific parameters that, again, focuses on low and
3 extra low families. It does have the opportunity to
4 service moderate- and middle-income families. We are
5 very focused on making sure that we are hitting all
6 the income bands we need since we see housing need at
7 that level as well for working families in New York
8 so our term sheets each have specific parameters, all
9 of which are really focused at trying to get to extra
10 low and low-income households.

11 COUNCIL MEMBER AVILÉS: Will there be an
12 opportunity to increase the thresholds for those
13 parameters, because what we're seeing is while they
14 exist in the projects, we are barely scratching at
15 the need and the survey absolutely shows that that
16 the problem is increasing so is the Administration
17 looking at increasing the percentage targets for this
18 particularly vulnerable population?

19 FIRST DEPUTY COMMISSIONER TIGANI: There
20 are three pieces I just want to touch on. One, in
21 reference to the tool to be used the most for extra
22 low and low-income households, which are low income
23 tax credits from the federal government, even the
24 change that could be made at Congress right now would
25 actually allow us to create another 4,400 units using

2 the resource that would target the lowest income
3 households. Separately, more vouchers from the
4 federal government will allow us to be able to do
5 more project-based and tenant-based referrals. Those
6 are two resources that we think of and try to use
7 alongside the capital. We are also looking at the
8 constraints of developing housing right now. We have
9 talked to the Council about this before, a mixture of
10 insurance rates, interest rates, legal and soft
11 costs, hard costs, and construction, supply, and
12 labor have contributed to higher costs in
13 construction. Right now, we are working closely with
14 development partners to think about how our term
15 sheets can be better geared to creating efficient,
16 successful projects and, in that, we are having
17 serious discussions about how we can use this data to
18 talk about where we are targeting so it's absolutely
19 front of mind for us, and we're toggling a number of
20 different things plus looking at how these mixture of
21 resources can help, but I would say that part of it
22 also is reducing some of the regulatory and zoning
23 burdens that add to costs in producing housing, which
24 is why we have the legislative agenda that we've
25 talked about before, both at the local level with

2 City of Yes and in the state agenda and, of course,
3 having the as-of-right tax benefit will allow us to
4 use a variety of different tools, not only subsidized
5 housing, but also as-of-right housing that produces
6 affordable housing in our city to get to that same
7 goal.

8 COUNCIL MEMBER AVILÉS: I appreciate the
9 very robust answer. It sounds like you're thinking
10 about it.

11 FIRST DEPUTY COMMISSIONER TIGANI: Just a
12 little bit.

13 COUNCIL MEMBER AVILÉS: Okay. yeah,
14 slippery slope. Just one more quick question. I want
15 to thank you also for mentioning how important rent
16 stabilization is and how critical it is for our city.
17 I'd love to know what the Administration is doing to
18 make sure we protect rent stabilization, and I will
19 just say it, will the Administration put tenants on
20 the Rent Guidelines Board in order to make sure that
21 there is a balanced perspective on that Board? That
22 would be the surest way, one of the surest ways to
23 begin to bring a real balanced perspective around the
24 importance of tenants, but what else is the

2 Administration doing to make sure we're protecting
3 these valuable units?

4 FIRST DEPUTY COMMISSIONER TIGANI: I
5 appreciate the question, Council Member. From HPD's
6 perspective, our first step is always ensuring that
7 the laws are being enforced and that making sure that
8 the tenants who are seeing issues are protected. We
9 have invested heavily in rebuilding our inspector
10 corps and making sure that we have a strong
11 enforcement apparatus under Deputy Commissioner
12 Santiago so we continue to make sure that we are
13 pushing and responding to tenant complaints. We are
14 using our anti-harassment unit and our neighborhood
15 investment services in enforcement using our programs
16 wisely, like our alternative enforcement program.
17 When needed, we will bring litigation in court if
18 there are laws being violated. We work closely with
19 our partners at HCR to make sure that their referral
20 information is going back up and down so that we're
21 working together. Separately, we are making sure that
22 use our relationships with tenant advocates and legal
23 aid and talking to each other to make sure that we
24 are protecting the tenants who are in housing court.
25 We are making sure that there's information that's

2 available to tenants as needed. Recently, the Mayor
3 announced the formation of the Tenant Protection
4 Cabinet. We continue to have our public engagement
5 unit and our tenant support unit in our neighborhoods
6 knocking on doors, manning our tenant question
7 hotline so that if tenants have questions or need
8 referrals, they can reach out. Both our home-based
9 programs run by HRA and our housing ambassadors
10 through the HPD Housing Ambassador Program serve as
11 CBO resources in the community, not only for
12 questions about how to get help as they are the
13 leaders and the voices who understand how their
14 communities need this assistance so they are
15 providing questions to their communities, and we are
16 getting feedback from the CBOs about how we can help
17 further, and we continue to build out pilots and
18 programs that have been successful in the past. In
19 the past, we had the Partners in Preservation
20 program. It was a successful pilot in three
21 neighborhoods that now has been baselined in the
22 budget. We will be working in more neighborhoods.
23 It's a partnership between tenants, legal aid,
24 community-based organizations, legal aid
25 organizations and tenant-based organizations to work

2 with enforcement and our preservation program so that
3 we're targeting resources on the enforcement side or
4 finding buildings that need preservation assistance
5 through that partnership so those are just a few of
6 the ways that we're doing it but, at the end of the
7 day, rent regulation is critical to all parts, and
8 we're finding different ways to defend that and
9 protect that.

10 CHIEF RESEARCH OFFICER GAUMER: If I may
11 just add one thing. These are obviously really
12 critical direct program and support mechanisms, but I
13 think it's also very important to recognize that that
14 the information that we gather and share, not only
15 for today's hearing, but much more broadly, we also
16 are showing a commitment to putting clear, accurate,
17 and representative information that speaks to all
18 what is happening for rent-stabilized tenants in
19 rent-stabilized units over time, and that all of that
20 is also made as a public asset to be able to help
21 make measured decisions that hopefully are effective
22 for whatever is needed to make our City continue.

23 CHAIRPERSON SANCHEZ: Thank you, Dr.
24 Gaumer. I'm going to turn it over to Council Member
25 Restsler, but I just wanted to ask a clarifying note.

2 On your slide seven and eight, you show that the
3 number of vacant and available apartments for rent
4 have declined by nearly 70,000 and vacant not
5 available is down by 123,200. It seems the survey is
6 showing us that we have more units in the City of New
7 York, 60,000 more, we have more units online and
8 fewer unavailable. Am I understanding that correctly?
9 Can you expand upon that a little bit?

10 CHIEF RESEARCH OFFICER GAUMER: Yeah,
11 that's absolutely correct. When we as a City
12 experienced this dramatic net increase in occupied
13 units that not only are households that are going
14 into new supply but they also have to go into other
15 housing units, and what we saw very clearly was that
16 they moved into units that had been available for
17 rent. Those are now dramatically occupied and that
18 many of those units that had been off the market in
19 '21 also are now occupied, and we just see occupancy
20 rates exceptionally high across the board in every
21 type of housing, including those that were off-market
22 and vacant last time.

23 CHAIRPERSON SANCHEZ: Thank you. Can HPD
24 share anything about the geography of where the
25 newest New Yorkers, those that are earning you

2 mentioned above 200,000 dollars per year, where they
3 are moving to?

4 CHIEF RESEARCH OFFICER GAUMER: Sure. This
5 obviously is our initial findings report. As you've
6 experienced in the past, we continue to cut the data
7 in various ways over the coming weeks and months.
8 That includes looking at greater geographic
9 granularity than what we've presented in the report.
10 The selected initial findings really focuses on our
11 citywide conditions and the need for any rent
12 stabilization and rent control, but we're happy to
13 share some more additional geographic as well as
14 other data and analysis as we get to it in the coming
15 weeks.

16 CHAIRPERSON SANCHEZ: Thank you. I suspect
17 I have a list for you of those kinds of cuts.

18 CHIEF RESEARCH OFFICER GAUMER: We welcome
19 that.

20 CHAIRPERSON SANCHEZ: Council Member
21 Restler.

22 COUNCIL MEMBER RESTLER: Great. I firstly
23 just want to say, Dr. Gaumer, I'm so sorry that you
24 have to sit next to Ahmed for the entire length of
25 this hearing. We all empathize with you.

2 FIRST DEPUTY COMMISSIONER TIGANI: Thank
3 you for the comment, Council Member.

4 COUNCIL MEMBER RESTLER: Yeah, you're
5 welcome.

6 I do want to follow up on the one of the
7 items the Chair was just mentioning, Dr. Gaumer, so
8 it's 123,200 fewer units that are not available than
9 two years ago. Is that right?

10 CHIEF RESEARCH OFFICER GAUMER: Yes,
11 that's correct.

12 COUNCIL MEMBER RESTLER: Could you just
13 help us, what's the denominator, like what's the
14 total number of units that are not available? If it's
15 123,000 fewer than it was two years ago, how many are
16 not available altogether?

17 CHIEF RESEARCH OFFICER GAUMER:
18 Absolutely. For those of you who have your selected
19 initial finding report in front of you...

20 COUNCIL MEMBER RESTLER: Forgive me if I
21 missed it.

22 CHIEF RESEARCH OFFICER GAUMER: I can
23 direct you to that page, so it's page 29 is where we
24 enumerate this and we have additional data. If it's
25 helpful, we can also bring up a couple of appendix

2 slides to talk about that. In 2023, the total
3 citywide number of units that were not available for
4 rent was 230,000.

5 COUNCIL MEMBER RESTLER: 230,000. That's a
6 big number.

7 CHIEF RESEARCH OFFICER GAUMER: Just so
8 that we know that net change, that's down from
9 353,000.

10 COUNCIL MEMBER RESTLER: Right, so it's
11 down a third in two years. That's a good thing. If my
12 math is working close enough, Jake is nodding, so I
13 got the good so we're down about a third, that's a
14 good thing, but still 230,000 units offline is a lot
15 of units. I found it notable that only 62 percent, so
16 I guess that's the same thing, that's the same data
17 point another way, that 62 percent of the 2021
18 offline units are now occupied.

19 CHIEF RESEARCH OFFICER GAUMER: It's a
20 slightly different measure. Those are complimentary
21 ways of thinking about that general topic so let me
22 maybe help clarify for others who maybe are not good
23 at doing the math in their heads. We look at change
24 in two different ways and they're presented both of
25 those here in my testimony and we cover that in our

2 report. One way is we look at what I'm referring to
3 as net change between these two surveys, right, so we
4 have an estimate in '21, 353,000 units, we have an
5 estimate in 2023, 230,000 units. We can look at what
6 that change is. Importantly, the net change includes
7 things that have both gone up and gone down so units
8 that had been vacant and not available or vacant or
9 occupied, right, so some of those will change and
10 leave that group over those two years, others will
11 enter it, and when we say the net change, we're just
12 looking at the difference between those two points in
13 time so that's one way of looking at this. The second
14 way that we are able to do with our survey is to look
15 at what happens to specific units that we're studying
16 and following over time, and so that's a different
17 way of looking at change. When we do that and shared
18 that today, what we were doing was saying what we saw
19 in '21 and reported to you, what has happened to
20 those specific units, and they both point in the same
21 direction, which is that there is just dramatically
22 higher rates of occupancy of every kind, of every
23 type, in every place. That is obviously what's
24 leading to a very low vacancy rate.

2 COUNCIL MEMBER RESTLER: Right. I'm just
3 interested in what tools we have to get these 230,000
4 units that are offline activated because that's an
5 enormous amount of housing that is unavailable. I get
6 it's a low vacancy rate. I get that we're moving in
7 the right direction and that there's progress to show
8 over these two years, but other than, as my Colleague
9 and I were just discussing, that ever heightening,
10 hyper-gentrification across the City of New York that
11 is tightening the housing market and making it more
12 and more impossible for anybody to find an affordable
13 place to live, and that incentivizing landlords to
14 see their units activated, is there anything else we
15 can do or are there specific deliberate policies that
16 we're pursuing to try to activate these units, which
17 I imagine is any is a lot cheaper than preservation
18 deals or new construction if we can do the work
19 that's necessary to get this housing online?

20 CHIEF RESEARCH OFFICER GAUMER: I will
21 obviously defer to our First Deputy Commissioner on
22 some of that thinking, but just so that I can clarify
23 for others that within that overall universe of units
24 that are off the market, there are a variety of
25 different reasons that happens, right? Just for

2 clarity, I want to make it clear that many of those
3 reasons are not something that we would solve for as
4 an intervention, right? Things where a lease has been
5 signed, but someone hasn't moved in.

6 COUNCIL MEMBER RESTLER: Sure.

7 CHIEF RESEARCH OFFICER GAUMER: Or a unit
8 has been sold, it's in contract, mortgage hasn't come
9 through, it hasn't been closed on, right, where the
10 occupant can take up residence.

11 COUNCIL MEMBER RESTLER: Do you break that
12 information down to have a sense of what's really
13 offline versus what's in the process of being
14 activated?

15 CHIEF RESEARCH OFFICER GAUMER: We do
16 enumerate all of those different reasons, and that's
17 in our report. We're happy to give you those numbers
18 if you're interested in them to read into the record,
19 but we do itemize, I think this year, 16 different
20 reasons, same as we did in '21, and many of those
21 reasons and obviously each of these groups grows and
22 ebbs from one cycle to the next, but just so that
23 we're clear that 230,000 is not something that
24 necessarily needs an intervention.

25 COUNCIL MEMBER RESTLER: Right.

2 CHIEF RESEARCH OFFICER GAUMER: That's a
3 very diverse group of housing units across a whole
4 variety of reasons that they don't happen to be for
5 rent or they're not yet occupied.

6 COUNCIL MEMBER RESTLER: I think the First
7 Deputy Commissioner is about to jump in as well, but
8 I just want to tack on one more question for him to
9 respond to in addition, if the Chair would be so
10 gracious. When rent regulation laws were passed in
11 Albany a few years ago, the landlord community said
12 that the sky was falling and that we'd have vacant
13 apartments in perpetuity, and that we would not see
14 improvements to the people's homes in our rent-
15 regulated housing stock. It certainly seems to me
16 from the top lines of this survey that we have a very
17 different story to tell in New York City, and I just
18 wonder if you could, and any further elaboration you
19 were going to offer on what Dr. Gaumer was just
20 sharing, also comment on that and how you see that
21 trend. Last thing, because why not? I don't think I
22 saw it in your testimony, if you do, I don't know if
23 there any lawyers up here, but just interested if you
24 do have any analysis you'd like to share on the
25 Supreme Court's decision not to take up the case

2 around rent-regulated housing and how much more
3 confident we can be in this long-term stability of
4 the rent regulated system in New York. Sorry for the
5 lot.

6 FIRST DEPUTY COMMISSIONER TIGANI: Sure.

7 I'm going to try to, and please tell me if I miss any
8 point that you need me to make, but to the original
9 question, again, I'll stress we have about 12
10 different preservation term sheets that range from
11 various levels of intensity, and a lot of what puts
12 an owner in a position about whether or not they
13 should work with us is based on what requirements and
14 regulations they have to face. There are a number of
15 mandates that have been passed over the last couple
16 of years, whether it has to do with gas piping or
17 façades or changes in façade rules, Local Law 97. We
18 have gone ahead and either designed programs, we have
19 sought both local money, we're using federal money
20 around electrification and decarbonization, so that
21 the incentive is beyond just getting a unit online.
22 There's further incentive in the fact that they have
23 to be in compliance with these rules and regs. The
24 City has then made it its priority to make sure that
25 we have money, resources, and tools to put them in

2 the pipeline to do that, and we are looking at the
3 way we move through that pipeline since we understand
4 that there are owners of different backgrounds and
5 familiarity so we do have preservation tools that we
6 think are very competitive. They speak to the moment
7 of the time. They use a number of different
8 resources, and we hope that will continue to bring
9 people in and, as a bedrock of that work, we use
10 rent-stabilization and rent-stabilization framework
11 to make sure that the people in those buildings that
12 we that we finance are protected. I also would say
13 that to the point about rent regulation, all I can
14 say to the result of the Supreme Court decision is
15 that we feel that the law and the framework is
16 something that's sound and critical to preserving,
17 again, the most abundant affordable housing source
18 that we have. It's something that we use our
19 resources to defend, to protect on behalf of tenants,
20 and we believe that tenant protections is a critical
21 piece to any housing plan that we work on moving
22 forward. I think the only other, I'll let Dr. Gaumer
23 speak to the data behind these pieces but, again, we
24 think that...

2 COUNCIL MEMBER RESTLER: And your thoughts
3 on rent regulation, I mean the narrative that
4 landlords tried to put out after rent regulation was
5 passed, it seems like this report tells a very
6 different story around occupancy and home
7 improvements. Could you just speak to that?

8 FIRST DEPUTY COMMISSIONER TIGANI: The
9 only thing I would say is that one very important
10 piece is that we know that building portfolios in
11 general saw tremendous pressure during COVID,
12 continue to see pressure as a result of meeting the
13 needs that they have in front of them now over the
14 last couple of years, making sure that they're up to
15 standards and the right code regulations. I think
16 working with the Council to see J51 move forward will
17 be a huge help to meeting those needs and making sure
18 that where the City can help, we can do that work,
19 but there have been pressures. I'll let Dr. Gaumer
20 talk to how the data speaks to exactly that data
21 point.

22 CHIEF RESEARCH OFFICER GAUMER: Sure. I
23 think your question actually was phrased exactly
24 right, that what we see in our data measuring this
25 consistently between these two cycles is that as

2 across the board we saw more households occupying
3 more units of every type. That was also true for
4 rent-stabilized units that we had seen be off the
5 market for various reasons in '21. That, as a
6 reminder, have been about 42 thousand units, and now
7 that's down to about 26,000 units so that's a very
8 also stark drop, right? It's following the same
9 pattern that we've seen across the board. The other
10 thing following up on our conversations that we had
11 with you I think earlier in the spring on these
12 particular issues, we did obviously go back and
13 measure again how many of those units were low-cost
14 and in need of repairs and had been empty for 12
15 months or longer. Those being just one way of
16 measuring this argument that rent-stabilization puts
17 many, many, many units in a position where they're
18 not financially feasible to rent. As a reminder in
19 the '21 survey, we did not see many of those units.
20 We saw just about 2,700 rent-stabilized units that
21 had been off the market for a year or more in need of
22 repairs with a legal rent of less than 1,000 dollars,
23 right? That's what we had discussed from the '21
24 survey. Now, in '23, we measure that again. We, in
25 fact, have so few of those units that we couldn't use

2 the under 1,000 dollars as rent, we couldn't measure
3 that in any reliable way so this year we measured how
4 many rent-stabilized units are off the market for a
5 year or more, in need of repairs, with a legal rent
6 of less than 1,500 dollars, which is the median rent
7 for those units, and it was 1,700 so, even though
8 we're looking at a slightly larger tranche, we're
9 seeing a lower number so, again, every one of these
10 measures, in rent stabilization as well as elsewhere,
11 we're just seeing that there are more households in
12 more units and very, very, very dramatic drop-offs of
13 all types of vacant.

14 COUNCIL MEMBER RESTLER: In an altogether
15 depressing report, I'm happy to hear that
16 strengthening rent-regulation protections did not
17 allow the sky to fall.

18 FIRST DEPUTY COMMISSIONER TIGANI: Again,
19 these are housing conditions and the City has tools
20 to help owners with those housing conditions.

21 CHAIRPERSON SANCHEZ: Thank you, Council
22 Member Restler. I'd like to acknowledge that we've
23 been joined by Council Member Dinowitz.

24 I first want to just clarify or follow up
25 on Council Member Restler's first question on units,

2 again slide eight, units that were not available in
3 2021 that are available in 2023, 62 percent. How does
4 that 62 percent compare to previous comparisons
5 between HVSSs If you have that information?

6 CHIEF RESEARCH OFFICER GAUMER: That's a
7 great question. I don't have those historical data
8 with me or off the top of my head, but I'm happy to
9 follow up and give you back in time what that looks
10 like.

11 CHAIRPERSON SANCHEZ: Okay. Thank you.

12 CHIEF RESEARCH OFFICER GAUMER: The one
13 thing that I may add while we're just on that topic
14 and in combination with Council Member Restler's
15 question. We did look at the subset of rent-
16 stabilized units and what had happened to those
17 specific 42,000 units between '21 and '23 so, as a
18 reminder, as you just said, across all units that
19 were off the market, 62 percent were occupied two
20 years later. For rent-stabilized, it was 75 percent
21 were occupied two years later. Again, using those two
22 complementary ways of looking at change.

23 CHAIRPERSON SANCHEZ: Thank you. That's
24 really helpful, and this is with the broader
25 definition or this is just the rent-stabilized?

2 CHIEF RESEARCH OFFICER GAUMER: The 75
3 percent is the totality of all of the units that were
4 rent-stabilized and off the market in '21 so that's
5 at all price levels and all types of buildings and
6 all neighborhoods, that's 75 percent.

7 CHAIRPERSON SANCHEZ: Are there any
8 observable trends that you can share at this time
9 between rent-stabilized units that are rent-
10 stabilized built before 1974 and post 1974?

11 CHIEF RESEARCH OFFICER GAUMER: We've
12 only, again, started to do the next layer of analysis
13 in this. We haven't done a tremendous amount of work
14 in pre-1974 versus post-74. What I can give is some
15 context and then I'll always open to whatever
16 analytic questions in particular you're interested
17 in. For those of you that are not so fluent in rent-
18 stabilization, as a reminder, rent-stabilization
19 covers about a million units in New York City. This
20 is separate from rent control, which is a very
21 different, older form of rent regulation, and 1974 is
22 a very important date in rent stabilization. The
23 million units are a very diverse group. They cover a
24 lot of different cohorts of buildings that were built
25 under different programs. They're subject to rent-

2 stabilization for various reasons, etc. It's a very,
3 very diverse group of that million units. 1974 is
4 important because that sort of is often used as a
5 proxy for original rent-stabilized units that were
6 statutorily part of rent stabilization under the
7 Emergency Tenant Production Act of 1974. There's our
8 date, '74. That is still a very, very large share of
9 that million units. It's about 780,000 of the million
10 or so rent-stabilized units were built before 1974,
11 and that means that about 180,000, 190,000 were built
12 after '74. Because of the nature and the layered
13 rent-stabilization statutes, it's important to note
14 that we have units that are subject to rent-
15 stabilization by virtue of being older buildings, six
16 or more units, but the other way that units opt in or
17 become subject to rent-stabilization primarily is
18 through either tax benefit programs or participation
19 in affordable housing program where our regulatory
20 agreements require them to be rent-stabilized. When
21 we talk about 1974, those older buildings, just a
22 reminder that many of those are also part of an
23 affordable housing program, right? Our preservation
24 work is almost exclusively in older rent-stabilized
25 buildings that sort of overlap with that, and also

2 tax benefit programs, particularly J51 which we know
3 is in discussion right now, But J51 also would
4 obligate rent-stabilization in exchange for receiving
5 those benefits, and that tax benefit program also
6 almost exclusively served older rent-stabilized
7 buildings. Just a reminder that '74 is an important
8 marker in many ways, but it is not really a very
9 complete look at what types of units are subject to
10 rent-stabilization or why.

11 CHAIRPERSON SANCHEZ: Yeah, I think the
12 question is trying to get at an understanding of
13 using 1974 as a proxy also for who receives tax
14 benefits, subsidy versus not, and what are the
15 differences in condition between those buildings.

16 Okay, so there were 41,270 units
17 undergoing or awaiting renovation where no other
18 reason was also applied, statistically similar to the
19 37,320 units in 2021. What is HPD doing to assist
20 owners where applicable to make renovations in these
21 units and bring them back to the market, and do we
22 know anything else about these renovations? You
23 mentioned that the survey methodology compares
24 administrative data from different agencies. Do we
25

2 have information about DOB permits versus these
3 renovations and what timelines might be?

4 CHIEF RESEARCH OFFICER GAUMER: Sure. I
5 can maybe start and then I'll pass it over. Would you
6 mind, we're just going to pull up another slide. It's
7 in our initial findings on page 31, it's figure 11,
8 but we'll see if we can share and pull it up on the
9 screen while I'm giving this. One of the important
10 things that I think we were concerned about in '21,
11 Council Member Restler has brought this up, is
12 whether these units that were off the market were in
13 fact just sitting empty, there was no intention of
14 bringing them back online, they were going to be long
15 term, all of those kinds of questions, and those are
16 very, very important questions for a variety of
17 reasons. For our '23 report and here on the screen
18 now, thank you, we dug into units that were off the
19 market so this is not looking at units that were
20 available for rent, although we might be able to do
21 that if that's of interest, so these are units that
22 were just off the market, and we asked questions and
23 collected data on whether they were renovated, so
24 this is two separate measures here on the left. What
25 we found is that a full 30 percent of all units that

2 were off the market in 2023 were being renovated at
3 the time we were doing those interviews. At that one
4 moment we said, is this currently being renovated,
5 and the answer was yes for 30 percent of those units.
6 That's, of course, not counting ones where there was
7 already renovation work that had been completed or
8 anticipated in the future. Separate from that, we
9 also asked for some specific items about upgrades
10 that we understand are sometimes needed, are
11 important, right, so we asked if new appliances had
12 been installed since the prior occupant left. Again,
13 these are all units that were not available for rent
14 in 2023. Full 27 percent said they had replaced the
15 refrigerator, there was a new refrigerator in the
16 unit, these are off-market units, 26 percent had
17 installed a new stove, 22 percent had installed new
18 kitchen cabinets, and 21 percent had installed new
19 kitchen countertops and, again, this is a very short
20 period of time, this is units that are not available
21 for rent or for sale, and it's clear to us that there
22 is a lot of work being done to those units presumably
23 so that they can be brought back into the active
24 market and occupied in the near future as we had seen

2 with what happened in the units that were off market
3 in '21.

4 FIRST DEPUTY COMMISSIONER TIGANI: I think
5 the only thing I would add here is, again, for
6 multifamily housing, we have targeted term sheets,
7 some of which deal with administrative or regulatory
8 issues. Many are coming up-to-date with lead hazard
9 and healthy home regulatory requirements. We do have
10 a preservation term sheet to work with those owners.
11 We can layer that in with efficiency,
12 electrification, and greening improvements through
13 our green housing participatory programs. We have
14 both multifamily housing that's geared toward
15 project-based voucher projects that allow us to
16 leverage both the voucher and the capital investment
17 that we put in to cover both in-unit major system
18 restorations. We make that available also to
19 buildings of different sizes and different financing
20 histories. Some come through LIHTC and in year 15
21 need to reposition and need funding. We have programs
22 that gear toward them specifically. We have and
23 support larger multi-phase buildings as well. We do
24 this all targeted toward those buildings but also

2 extending affordability given how critical that is as
3 a return on the public investment.

4 CHAIRPERSON SANCHEZ: Do you have any
5 sense of how long the units that were highlighted on
6 that slide, how long they were offline? Does HPD keep
7 track?

8 CHIEF RESEARCH OFFICER GAUMER: Sure. I
9 don't have information on the length of vacancy with
10 me today but, certainly, we can come back to you with
11 other answers to other questions, and we can make
12 sure that's on our list.

13 FIRST DEPUTY COMMISSIONER TIGANI: Just
14 one other thing I wanted to add. A lot of our
15 outreach happens proactively through member
16 organizations, through information we put out there,
17 but we also get a lot of successful contacts through
18 our elected official sponsored events, through our
19 landlord ambassador program, our community events, we
20 hold property owner round tables. We would welcome
21 any interest by Council Members or elected officials
22 to do that as well. Just putting that out there as a
23 reminder.

2 CHAIRPERSON SANCHEZ: Yeah, y'all coming
3 out, thank you. HBD in your District, bring them to
4 yours.

5 Expanding on the why, so there were
6 13,680 units in 2023 that were held vacant for 12
7 months or longer where no other reason was reported,
8 down significantly from 26,050 and 2021. Do you have
9 any understanding as of why at this time?

10 CHIEF RESEARCH OFFICER GAUMER: Sorry. The
11 question is why there are fewer? No, we are happy to
12 do additional analysis and dig in with that. As I
13 said before, for all of the different reasons that we
14 track why a unit may be off market, we always do see
15 fluctuation, but very important and I think very
16 telling in our '23 survey is that almost every single
17 category we saw a very substantial drops in the
18 number of units that were off market for any reason,
19 but that includes this very sharp drop in units that
20 had been held for a long time.

21 CHAIRPERSON SANCHEZ: Thank you. I have
22 too many windows open, but I do have a question here
23 about the Housing Vacancy Survey's demographic
24 information, so understanding that you are using 2022
25 American Community Survey data or 2021 American

2 Community Survey data, is there an issue with the
3 information on the demographics?

4 CHIEF RESEARCH OFFICER GAUMER: Sure. Let
5 me deconstruct that question a little bit here.
6 Apologies in advance if I get too technical. Somebody
7 just ask for smaller words. First of all, let me
8 explain for folks in the audience here. The U.S.
9 Census Bureau conducts many surveys. We often think
10 of just the census, which is the decennial
11 enumeration of the full population count, but in fact
12 they conduct many surveys. One of them is the
13 American Community Survey, sometimes called ACS,
14 which is a national sample to collect information on
15 the population between decennials and other
16 information. Obviously, that's of critical importance
17 for a variety of reasons. They also collect the
18 Housing and Vacancy Survey, the New York City Housing
19 and Vacancy Survey, or NYC HVS, which is our survey.
20 These are two totally different surveys. We do not
21 utilize ACS at all for any reason. They're just two
22 different efforts that both are conducted by the U.S.
23 Census Bureau. Because we are both census surveys,
24 there are some similarities which may be helpful to
25 understand. We're generally sampling from the same

2 master list of addresses, right, so we're coming from
3 the same parent, if you will and, at the end of the
4 day when our survey statisticians weight our data to
5 ensure it's representative including by demographics,
6 we are generally using the same source of information
7 in those weights, although there are different time
8 points and different vintages as they call them, and
9 so both the NYC HVS and separately the ACS are
10 weighted to census estimates on population, the count
11 of people, population estimates, and housing units.
12 Those are actually two separate estimates done by
13 different folks at the U.S. Census Bureau. Just as
14 broader context, there are many different things. The
15 ACS is a very important source of data but is
16 obviously not customized to New York City and doesn't
17 capture all of the data that we capture. It's also
18 currently the most recent data available from the ACS
19 is 2022 so we're actually providing more updated
20 information than is otherwise available from any
21 other census product, but one of the keys to what we
22 are doing is that it is for and by the City of New
23 York, right, so the NYC HVS goes above and beyond
24 others surveys, including ACS to measure things that
25 are unique to our context and our history and to do

2 so over this very long time frame so that we can
3 understand both change as well as continuity.

4 CHAIRPERSON SANCHEZ: Thank you. That's
5 really helpful to understand that there is no
6 relationship except for the parent relationship, but
7 then I guess my question is actually how do you see
8 the HVS findings comporting with the 2022 ACS
9 findings and in particular ACS 2022 showing that New
10 York City population numbers are still down from
11 prior to the pandemic. I have 400, 000 people here
12 listed, but I'm not quite sure that's right, versus
13 275,000 more occupied units in the City of New York.
14 How do you understand that relationship?

15 CHIEF RESEARCH OFFICER GAUMER: Yeah,
16 sure. It's an excellent question. Let me, again, say
17 give a little bit broader context to help folks
18 understand this. First of all, we here today and in
19 our report have been talking about households and
20 housing units, and we do that because the households
21 are what lives in a housing unit, right? We are here
22 to talk about the need for housing supply condition
23 and continued need so our focus is households. We
24 have not yet dug into any of the population data
25 about individual people or the count of total people

2 that we have living in different types of housing or
3 those needs. Historically, that's always something
4 that we do as a followup after our selected initial
5 findings so we're looking forward to digging in. That
6 said, it's important to note that households are not
7 the same as people, and it is possible for the number
8 of households to increase while the number of people,
9 the total people, stays the same or even goes down.
10 If you think about household size decreasing going
11 from three people to two and a half people to 2.3
12 people, right, and so on, and that is a trend we have
13 seen in New York City over a very long time period.
14 Households getting smaller and smaller over time. If
15 it continues to get smaller, then obviously there
16 could be a fewer number of people spread out over
17 more housing units and households so that is
18 mathematically possible. That said, we expect the
19 U.S. Census Bureau to issue those population
20 estimates, in fact, next week is what we've heard so
21 we will know very soon where the overall population
22 stands, but we feel very confident and the experience
23 on the ground I think comports with this idea that we
24 are in a very tight housing market and there are more
25 households living in more types of units.

2 CHAIRPERSON SANCHEZ: Thank you. Thank you
3 so much. Okay, so turning back to how we get more of
4 these units online that are offline. Last year, the
5 Unlocking Doors program was announced as a way to
6 encourage owners of vacant units to rehab their units
7 and return them to the rental market. Can you provide
8 an update of this program? How many applications have
9 been submitted? What is the status? Have any been
10 approved or denied? If any approved, has any
11 applicant completed the rehabilitation work required?

12 FIRST DEPUTY COMMISSIONER TIGANI: The
13 pilot is still ongoing. We have not seen a high
14 number of uptake. We've only had one application at
15 this point. This is not the only pilot that we've
16 done in the past to look at how we can work with
17 landlords to make improvements in apartments. We've
18 had the Landlord Ambassador Program. We did a pilot
19 with CBOs during the Emergency Housing Voucher
20 Program where we looked at making repairs to allow
21 for easier HQS inspection approvals so each pilot
22 comes with its own circumstances for us to figure out
23 and work. We knew that this is something that would
24 take time for the owner industry to absorb, ask
25 questions, and as we continue to go through, we'll

2 see what the uptake is and what the program will
3 ultimately yield in terms of instruction for this
4 approach but, again, as the doctor suggested, we are
5 seeing that more of these units have come online
6 through other mechanisms, through other ways that you
7 repair units, but we will continue to think about
8 different ways in addition to our preservation term
9 sheets to bring more units online.

10 CHAIRPERSON SANCHEZ: Got it. Just for
11 completeness sake, saying out loud that the Unlocking
12 Doors pilot, and please correct me, would provide a
13 landlord with 25,000 dollars to repair a unit if they
14 accept a tenant that has a CityFHEPS voucher. What
15 feedback have you heard from the industry? One thing
16 that I've heard multiple times is 25,000 dollars is
17 not enough of a support. What have you been hearing
18 from that one applicant or others that you've from?

19 FIRST DEPUTY COMMISSIONER TIGANI: I don't
20 have all the feedback with me at the moment. Again,
21 we have seen there are units that have different
22 levels of need. Some are very small fixes that will
23 allow a rental assistant applicant the ability to
24 occupy that unit. Some of the repairs are more
25 extensive. Some of them lead to major capital

2 improvements, which are on the more costlier side of
3 the preservation work so that's why that we have both
4 tools that are more discreet for the lower end and we
5 have more extensive tools for full building rehabs or
6 major capital work, and so whenever we see an owner
7 who comes to us, once we have a better sense of what
8 their physical needs assessments are, we drive them
9 to the right tool.

10 CHAIRPERSON SANCHEZ: So a la carte HPD
11 services. Thank you, First Deputy.

12 I have a series of questions that I
13 suspect you won't have the answers to today, but I
14 want to enumerate them. I'll do that next up, but one
15 more sort of clarifying question on the HVS, so the
16 2023 HVS identifies a higher prevalence of most
17 housing quality issues relative to previous HVS
18 cycle, so a higher number of units that are facing
19 these housing quality issues. When segmented by
20 status we have public housing units in the worst
21 shape with then rent-controlled units following and
22 rent-stabilized units following that. Given these
23 housing quality issues, can you talk to me about
24 HPD's enforcement improvements and, in particular, I
25 have been talking to the Administration, HPD

1 included, about a building in my District that I
2 believe represents too many others. I had 1915
3 Billingsley collapse in my District, has had over 100
4 HPD violations, a number of Department of Building
5 Violations, and yesterday we had an announcement
6 about 2201-2205 Davidson, which has nearly 500 HPD
7 open violations and 90 DOB violations, 60 Department
8 of Health violations. It is quite literally falling
9 apart, and I know we're talking about it, but it is a
10 building that is representative of many others, and
11 it is an illustration of HPD's housing quality
12 enforcement tools falling short so can you help us
13 understand how is HPD addressing these 10,000
14 buildings estimated by CSS who are in these desperate
15 conditions of having pervasive housing maintenance
16 code and other violations and issues.

18 FIRST DEPUTY COMMISSIONER TIGANI: I think
19 we try to attack each building with its specific
20 problems in a number of different ways. We have first
21 the standard protocol of being able to respond to 3-
22 1-1 complaints, getting inspectors to those sites,
23 and understanding if the problem is limited to the
24 unit itself, the building as a whole. We can go
25 further and do roof to cellar inspections. We use

2 that data and we combine that with information that
3 we have with sister agencies at DOB or other agencies
4 where that information, if need be taken to a next
5 level, could be useful to working with the owner to
6 get those things corrected. For buildings that have
7 severe issues, Class C violations and owners go
8 beyond the completion date or the date to certify
9 that the work has been completed, we do have programs
10 like the Emergency Repair Program where we do use
11 City dollars to do the work and then bill the owner
12 after. We have more extensive programs, programs like
13 the Alternative Enforcement Program. We do an annual
14 assessment at the end of January of every year, in
15 which case buildings based on their Class B and Class
16 C violations, we announce ERP charges that we've done
17 for a particular building, once they meet certain
18 criteria, they are enrolled in this program where HPD
19 is more intensely involved in ensuring that the
20 corrections are done. That list is made public. We
21 set up meetings. We're actually in the period now
22 where we're setting up meetings with tenants in those
23 buildings to make them aware of their building's
24 enrollment in this program and what that means and
25 how they can help ensure that we have that structure

1 in place. We continue to have the ability to take
2 cases to take cases to court with our litigation
3 division. I'm sorry, I don't have those numbers right
4 now. We'll be before you on Monday for the budget
5 hearing, and we'll make sure to have more of that
6 information available, and then separate and apart
7 from that, proactive and cross-agency work either
8 through the harassment task force where we're sending
9 with both DOB, DEP, other enforcement agencies. We're
10 working with the various district attorney offices
11 where it makes sense. We have the Tenant Protection
12 Cabinet where we're doing proactive outreach to
13 tenants so that we're getting the information about
14 the most problematic building so we can understand
15 where there's portfolio issues. There's both a
16 reactive framework in place for HPD using tools of
17 various degrees, and there is a proactive focus
18 through a task force that's geared from a tenant's
19 perspective and attendance lens, not only using HPD's
20 resources, but sometimes you have destruction and
21 harassment, which is why you have the office of the
22 Tenant Advocate at DOB, and those are two offices
23 that our office and their office works closely
24

2 together to see where we can be maximizing our
3 resources. Again, it's both reactive and proactive.

4 CHAIRPERSON SANCHEZ: Thank you, First
5 Deputy, and it's not that HPD's enforcement programs
6 don't work. It's that they don't work for the worst
7 cases, and that's what we've seen so look forward to
8 talking more about that and giving you tools that
9 hopefully then the agency does use to take ownership
10 back from buildings like 2201-2205 Davidson where
11 that landlord has no business being an owner. How
12 does the HVS integrate 3-1-1 and violation data? Does
13 the housing quality reporting that is in the HVS
14 integrate those numbers?

15 CHIEF RESEARCH OFFICER GAUMER: It's a
16 great question. Yes, we do integrate code enforcement
17 data into the HVS on the back end so as I had
18 described before, the heart of this is our interviews
19 and our sampled units that are selected
20 scientifically to represent themselves and others,
21 and then we take other data and we attach it, if you
22 can think of it that way, and that does include code
23 enforcement data full stop. Our way of measuring
24 housing quality is, I think, really important to
25 understand as a complement to code enforcement data

2 on their own. You can think of each of these as doing
3 slightly different things that together give us the
4 best current picture of housing quality, for lack of
5 a better term, mostly housing problems. Code
6 enforcement data, particularly in the aggregate,
7 taking for example, our Open Data and analyzing that
8 does obviously convey where there are code violations
9 or multiple code violations by different typologies
10 of buildings, but that doesn't represent all housing
11 units, right? Our code enforcement data is by
12 definition a selection of buildings and units that
13 are going through that process so people who have
14 called 3-1-1 as opposed to having a problem that
15 didn't call 3-1-1 for a variety of reasons or a
16 building that was referred from a community partner
17 versus a building that didn't get flagged for
18 whatever reason by somebody to put it in front of us,
19 etc. so in various ways, and I will say it also
20 represents where someone was able to access a unit,
21 verify the conditions, issue a violation, right?
22 There's a very long sequence of going through that
23 process. Those are incredibly important things but,
24 again, the HVS does something slightly different and
25 complimentary to that. So what we do is we ask the

2 occupants themselves and we do our own observations
3 of conditions, right, and we've done that for many,
4 many cycles in as consistent a way as we can to track
5 change over time, but we don't verify those right
6 through our interviews. We obviously have very highly
7 trained, focused field interviewers, but they are not
8 building inspectors, right? You can imagine the
9 variety of ways, right? We're also doing this at a
10 certain period of time, usually late winter, early
11 spring, right? All of those are a factor of what we
12 are measuring, but we do it in a full universe way.
13 We reach people, and they report these problems who
14 have never ever called 3-1-1, for example, right? We
15 will pick them up. So those two things are different.
16 We do merge in and actually look at the overlapping
17 issues to try to get a better picture, and we're
18 hoping that we'll be able to share some of those data
19 in the coming months. That's a very complicated
20 process to match all of those data together and
21 ensure data privacy of the individuals, which is
22 really the hardest part for us, but we are working on
23 that.

24 FIRST DEPUTY COMMISSIONER TIGANI: And
25 I'll just say, I think this speaks to the proactive

2 piece of, we had mentioned earlier, the public
3 engagement unit and the tenant support unit, the
4 knocking on doors, the information we get back,
5 either through the neighborhood-based work or
6 targeted days of action, that plus the work that we
7 do in the Tenant Harassment Cabinet. This information
8 allows us to think what the future should look like
9 in terms of investment, in terms of strategies, how
10 we form and even frame what our enforcement teams
11 look like, and so all of this is used in one way or
12 another, but they are separate datasets.

13 CHAIRPERSON SANCHEZ: Thank you. Is that
14 process that you're undertaking now, is the merging
15 at the unit level?

16 Okay, that explains why you can't release
17 it, but taking you up on that point, First Deputy,
18 Tenant Support Units, HVS's richness of data and
19 ability to merge this information, does the agency
20 have a sense of how 3-1-1 complaints rates compared
21 to something that is more thorough like the HVS or
22 Tenant Support going through an entire building.

23 CHIEF RESEARCH OFFICER GAUMER: I'll
24 start. Thank you. I think that's the critical piece
25 to the shift with integrating proactive approaches is

2 to try to figure out what aren't we reaching and how
3 can we effectively reach them so we're approaching
4 that on the data side from a number of perspectives.
5 The one thing that I can share that I think maybe is
6 a good indicator, although not a robust, full
7 analysis of this. In our interview with occupants and
8 we haven't looked at this yet for '23, but I can
9 speak to it from '21. One of the items that we always
10 ask about is heating breakdowns, which for us is
11 self-reported information on lacking heat for six
12 hours or more in the prior winter, and what we did
13 for '21 and also for '23, although what I'm going to
14 explain and share is from our '21 survey, we then
15 followed up with anyone who said, yes, I didn't have
16 heat last winter at least once. We asked them
17 directly. We said, did you call 3-1-1 about the
18 problem, and only about 40 percent of the people who
19 had reported to us that they had a heating breakdown
20 said that they'd called 3-1-1 about the problem so
21 you can imagine that that's pretty dramatic
22 potentially underreporting. That's also not to say
23 that if they had called and we had gone out, that we
24 maybe would have actually verified that the
25 temperature or it hadn't been restored in the

2 meantime, or that the temperature was such where it
3 was prime for an emergency violation. There are many
4 things that are a little different about that, but it
5 just gives you a sense of the scale of how important
6 complementing the reactive with proactive is.

7 FIRST DEPUTY COMMISSIONER TIGANI: Again,
8 I don't have exact numbers with me, but we have seen
9 3-1-1 complaints that we've received continue to stay
10 steady or go up. It's the reason why we focused on at
11 least graduating three more teams of inspectors over
12 the last years. It's the reason why as an agency we
13 prioritize our work with DCAS, especially around our
14 inspectors and construction managers, to be able to
15 do that work. We have more inspectors on the team as
16 a result of following this data and seeing 3-1-1
17 being very important, and ERP charges and making sure
18 that we're getting the work done either by the owner
19 or ourselves.

20 CHAIRPERSON SANCHEZ: Thank you. That's
21 really striking, only 40 percent calling 3-1-1 about
22 heating issues, and we know that some communities
23 under-report more than others. I suspect mine is one
24 of them. Lower-income communities just under-report
25 so, yeah, that's very striking.

2 Okay, so here's the list of questions
3 that I suspect you won't have the answers to today
4 and, if that is the case, just say coming soon and we
5 can move on.

6 Okay, some of these we asked. Are you
7 able to tell us more, disaggregate the units renting
8 at over 2,400 dollars, the vacancy rate at higher
9 levels of rent?

10 FIRST DEPUTY COMMISSIONER TIGANI: We are
11 happy to do that. We have not yet. I will point out
12 that by definition the reason it's 2,400 in that cut
13 is that represents the 75th percentile of rent so
14 that means there's a full quarter approximately of
15 units above that, and the median asking rent for
16 units that were available in '23 was 3,000 so by
17 definition, then half of the units that were
18 available cost more than that so certainly there's a
19 large number of those, not a large number, there's
20 not a large number of vacant anything in New York
21 City, but there should be sufficient sample where we
22 can see if we can break that out more for you.

23 CHAIRPERSON SANCHEZ: Great. That would be
24 helpful. Thank you.

2 This is a related question, how many
3 rent-stabilized units in particular are available at
4 below fair market rents, and this question is in
5 connection to a bill that is being heard in Albany
6 sponsored by Assemblymember Burgos in the lower house
7 that would allow rent increases of up to FMR, which
8 many of our advocates are flagging for us in no
9 uncertain terms it is a very dire threat to rent
10 stabilization.

11 CHIEF RESEARCH OFFICER GAUMER: Sure. For
12 that very reason, thank you for asking that question
13 of us. First of all, as for the broader audience
14 here, FMRs, or Fair Market Rents, are set by HUD for
15 the New York FMRA area, and they are used in a
16 variety of policies and income eligibility
17 determinations including our voucher programs, right?
18 That is essentially the thing that determines our
19 general payment standard metrics for voucher holders.
20 I'm going to gloss over a lot of the technical
21 details here. They are essentially the 40th
22 percentile of recent movers citywide so they're based
23 on rents for people who recently moved in to their
24 units. Taking a step back to our HVS findings, both
25 from '21 and '23, we know that recent movers and

1 units that had been available recently are very high
2 cost, and so that is reflected in New York City's
3 FMRs. They are higher prices than what most units
4 have rents in New York City so, for example, for
5 FY24, for a two bedroom in '24, the FMR is 2,750. For
6 a three bedroom, it's 3,434. For a studio, it's
7 almost 2,400. You know from our data today and our
8 report that that's at the upper end of the rent
9 distribution. That's actually very valuable on the
10 policy side because it gives our voucher holders a
11 greater competitive edge when they're out there
12 looking for a unit, right? That's very important that
13 they be able to have higher payment standards, to
14 choose what neighborhoods they live in, to be able to
15 reach and access more affluent neighborhoods if they
16 need to, and obviously with very few vacant units to
17 be able to be on equal footing or closer footing to
18 those in the private market. That said, it means that
19 if rent-stabilized units were to reset in any shape
20 or form to that, would be a dramatic increase in
21 rents and not just rent-stabilized units, in fact
22 market rentals as well so from the '23 HVS, we can
23 say that 86 percent of rent-stabilized units have a
24 rent below FMR in 2023, 86 percent of rent-stabilized
25

2 units and 65 percent of market rentals so we're
3 talking about almost the entirety of the rental stock
4 could in fact see a shift and that there are
5 obviously knock-on effects of that kind of approach
6 as well. You would have higher cost vacant units
7 because they would reset at vacancy which means that
8 there would be even fewer units available for lower-
9 income New Yorkers to afford and that, in turn, would
10 actually drive up FMRs even more for the next reset
11 and so we haven't done any kind of detailed analysis
12 of that, but if that's of any help, we're happy to do
13 that from our HVS data.

14 CHAIRPERSON SANCHEZ: Thank you, Dr.
15 Gaumer. I hope that the agency will, if needed, as
16 needed, and we'll just be very vocal about the
17 potential impacts of a change like that for rent-
18 stabilized units, even if it is at vacancy.

19 I'm just going to list them out, and if
20 there are comments that you would like to share in
21 the interest of time, and then we'll move on to
22 public testimony. Thank you all for your patience and
23 participation and also your help in preparing for
24 this hearing. There are questions about how many of
25 New York City buildings are 100 percent rent-

2 stabilized or have the high proportion of the units
3 within them rent-stabilized? If there any notes about
4 their geography? I already asked that. There are
5 questions about the homeowner vacancy rate in the
6 City of New York so we understand the renter vacancy
7 rate is high, but what about homeowners? Are they in
8 as much of an affordability and vacancy crisis as
9 rental units? There are questions about a
10 disaggregation of vacant and unavailable units that
11 are due to more than two reasons, trying to
12 understand that and what the most common combinations
13 are as that is quite a large chunk of vacant and
14 unavailable. There's a question about breaking out
15 rental arrears data in cross tabs by rent regulation
16 status versus public housing versus market rate. I
17 already asked about breaking out the rent-stabilized
18 stock prior to 1974 and after 1974. There is a
19 question about what is the actual number of low-rent
20 apartments that are rent-stabilized and have been
21 vacant for more than 12 months. I think you may have
22 answered that earlier.

23 CHIEF RESEARCH OFFICER GAUMER: Yeah, that
24 was the can't go down to 1,000, but (INAUDIBLE)
25 that's 1,700 units in 2023.

2 CHAIRPERSON SANCHEZ: Thank you. Is there
3 any description that HPD can share about the kind of
4 distress that we see in rent-stabilized housing that
5 is vacant? I asked about rent-stabilized units. How
6 many in particular are within the sample? Finally...

7 CHIEF RESEARCH OFFICER GAUMER: That one I
8 can answer I think quickly. You said rent-stabilized
9 units in our sample. That was the question?

10 CHAIRPERSON SANCHEZ: Yes.

11 CHIEF RESEARCH OFFICER GAUMER: As I think
12 I said in my testimony for '23, we increased our
13 overall sample back to pre-pandemic levels. We now
14 have a sample of about 15,000 housing units. In '21,
15 we were down to 12,000 to protect health and safety
16 of the folks out there doing our survey and
17 responding to our survey, so rent-stabilization is
18 about a little over 25 percent of the total housing
19 supply. In '21, so when we had our smaller sample, we
20 had 25 percent sample of rent-stabilized units so
21 about 3,000. We then between '21 and '23, our entire
22 increase of 3,000 units was all rent-stabilized
23 units, right, so that we would have a pretty dramatic
24 over sample so that's means that 40 percent of the
25 sample drawn for the '23 survey is rent-stabilized.

2 CHAIRPERSON SANCHEZ: Thank you.

3 CHIEF RESEARCH OFFICER GAUMER: And again,
4 those are specifically selected to represent every
5 rent-stabilized unit and weighted to reflect that in
6 our data.

7 CHAIRPERSON SANCHEZ: Thank you. Finally,
8 there's a question about whether HPD can publish a
9 table of household income by the rental amount, how
10 much they are paying for rent, disaggregating by rent
11 stabilization status or not. Those are my questions.
12 All of my Colleagues are here and they're very
13 thrilled. No. We talk on and offline about these
14 hearings, and I've asked many questions that they
15 have asked me to ask.

16 With that, I want to thank you so much
17 for the presentation today, for answering our
18 questions. We will discuss among Colleagues the
19 information presented to us in order to determine
20 that vacancy rate in the City of New York, and we'll
21 be voting on the resolution and introduction here
22 today, and I will see many of you next week for our
23 weekly installment of HPD hearings. Thank you so
24 much.

2 CHIEF RESEARCH OFFICER GAUMER: Thank you
3 very much.

4 COMMITTEE COUNSEL ZELONY: We will now be
5 turning to testimony from the public.

6 Please listen for your name to be called
7 whether you are here in person or appearing on Zoom.
8 If you're testifying on Zoom, when it is your turn to
9 testify, you will be prompted to unmute. Please
10 accept this prompt and begin your testimony.

11 In the interest of time, your testimony
12 will be limited to two minutes per person.

13 For our first in-person panel, we will be
14 starting with Lucy Block, Sarah Hainbach, Adam
15 Edwards-Rivera, Brendan Cheney, and Oksana Mironova.
16 You can come up to the table when you're ready. Thank
17 you.

18 Okay, great. You can begin when you're
19 ready. Oksana, we can start with you.

20 OKSANA MIRONOVA: Great. Thank you so
21 much. Thank you for holding this hearing. My name is
22 Oksana Mironova, and I'm a Senior Policy Analyst at
23 the Community Service Society of New York. The 2023
24 HVS shows that New York City's net rental vacancy
25 rate is 1.41 percent, one of the lowest on record. It

2 is a steep fall from the 2021 rate which was 4.54
3 percent, one of the highest on record. Such an
4 extreme swing denotes extreme times when the need for
5 a regulatory framework that balances the scales
6 between tenants and landlords is most needed. When
7 vacancy rates are low, individual tenant households
8 lack market power. This is the legal justification
9 for rent control and rent stabilization. When there
10 is an extreme imbalance in market power between
11 landlords and tenants, it is incumbent on the state
12 to step in and prevent the most severe forms of
13 exploitation. Rent stabilization and rent control
14 keep landlords from exploiting this housing crisis
15 and gives tenants the legal backing to push back
16 deferred maintenance and neglect with the confidence
17 that their lease will be renewed at the rate allowed
18 by law. I wanted to take a second to make a note on
19 the HSTPA and some of the questions that Council
20 Member Restler had. He's not here, but that's okay.
21 This is the second HVS since the HSTPA passed in
22 2019. Before the HSTPA, when the tenant moved out,
23 rent-stabilized apartments were eligible for a 20
24 percent as-of-right increase and unchecked and often
25 inflated increases resulting from individual

2 apartment improvements. Apartments that reached the
3 legal rent of 2,816 were eligible for decontrol.
4 Unscrupulous landlords developed business practices
5 contingent on these loopholes, all geared towards
6 increasing the net operating income of their
7 stabilized properties, which allowed them to over-
8 leverage their buildings with more and more debt.
9 Conditions for tenants got so bad that the City was
10 forced to sharpen its definition of tenant
11 harassment. Lenders were complicit in these
12 practices. As ANHD's Equitable Reinvestment Committee
13 has shown, some multifamily lenders core business
14 practices relied on making multifamily loans to bad-
15 acting landlords. For example, year after year,
16 building after building, Signature Bank, which
17 collapsed just a couple of months ago, consistently
18 made multifamily loans that were speculative and
19 underwritten to practices of displacement,
20 harassment, or building neglect. If previous rounds
21 of sky-high valuations of rent-stabilized buildings
22 were based on dreams of ever-rising rents and net
23 operating income, today's are based on realistic
24 assessments of what tenants pay each month according
25 to the law. At the same time, the reality is that

2 there are financially distressed rent-stabilized
3 properties on the market. As this Committee considers
4 the implications of the 2023 HVS and its relationship
5 to the rent-stabilization law of 1969, we hope it
6 also engages with the opportunity to rescue over-
7 leveraged properties and turn them into permanently
8 affordable housing.

9 CHAIRPERSON SANCHEZ: Thank you. Can I
10 just ask you to expound upon what you believe the
11 Council can do to help rescue the over-leveraged
12 properties.

13 OKSANA MIRONOVA: Thank you for that
14 question. The City could intervene by funding
15 Neighborhood Pillars, a program created by the de
16 Blasio Administration in the long shadow of the 2008
17 foreclosure crisis, which allows the City to work
18 with preservation purchasers. City Council should
19 also pass COPA, the Community Opportunity to Purchase
20 Act, to establish a legal framework for the transfer
21 of buildings from distressed private ownership to
22 public tenants or community controlled social
23 housing.

24 CHAIRPERSON SANCHEZ: Thank you.
25

2 ADAM EDWARDS-RIVERA: Good afternoon. I am
3 Adam Edwards-Rivera, a law graduate with the Housing
4 Rights Unit at the Queens Legal Services Program of
5 Legal Services, NYC. I thank the Committee for the
6 opportunity to testify today about rent-stabilization
7 as it relates to addressing the ongoing housing
8 emergency in New York City. Annually, LSNYC provides
9 legal assistance to thousands of low-income New
10 Yorkers facing eviction and seeking to enforce NYC
11 housing standards in their homes. As has been said
12 already today, on February 8, 2024, the New York City
13 Housing and Vacancy Survey published their semi-
14 annual report, which indicated the rental vacancy
15 rate in the city had reached its lowest point since
16 1968. According to the report, only 1.4 percent of
17 rentable units in New York City were vacant between
18 January and June of last year. This points to a dire
19 housing crisis in New York City, which is perhaps as
20 bad as it's been since the rent-stabilization laws of
21 1969 came into effect. To share a case of mine, I had
22 a client who lived in a rent-stabilized apartment and
23 faced eviction based on her apparent non-payment of
24 rent. My client had been withholding her rent because
25 she was unsure if she should be paying because of two

2 separate eviction proceedings against her. She came
3 to me worried that she would be unable to stay in her
4 home, sure that her landlord would refuse to offer
5 her a renewal. However, by virtue of the rent-
6 stabilization law, her lease was renewed. Our
7 representation resulted in our client's multiple
8 eviction proceedings being discontinued, the landlord
9 receiving rent, and our client returning to their
10 apartment with a lease. If our client had instead
11 been in a market-rate apartment, it is likely that
12 the end result of the case would have been an elderly
13 disabled woman facing a gut-wrenching upheaval of her
14 life into the impossible NYC housing market. Many of
15 our clients are low-income families living in month-
16 to-month tenancies. In many of these cases, our
17 clients are shocked to discover that their diligent
18 monthly payments are rendered meaningless with a
19 single 90-day notice, which announces the termination
20 of what are sometimes decades of stable family life
21 in a single unit. The rent-stabilization law protects
22 tenants in almost a million rentals in New York City,
23 or about half the City's rental housing stock. One
24 fifth of those apartments house families living below
25 the poverty line. In recent years, approximately

2 175,000 households in rent-stabilized housing were
3 unable to afford even a 25-dollar increase in their
4 monthly rent. Given the extreme income vulnerability
5 of many rent-stabilized tenants, it stands to reason
6 that if their rent-stability protections were to
7 lapse, the City would be faced with an unprecedented
8 deluge of evictions, homelessness, and another heavy
9 burden added to a city already in a housing crisis.
10 Thank you.

11 CHAIRPERSON SANCHEZ: Thank you.

12 SARAH HAINBACH: Good afternoon. My name
13 is Sarah Hainbach, and I'm also an attorney with
14 Legal Services NYC's Housing Unit. I appreciate the
15 opportunity to testify on rent stabilization as it
16 relates to the ongoing housing emergency in New York
17 City. Where I work in Queens, countless clients live
18 in unregulated housing. For these tenants, nothing
19 stops their landlords from deciding that they don't
20 want to offer a renewal lease. Similarly, landlords
21 of unregulated units are entitled to increase the
22 rent by hundreds or thousands of dollars. As lawyers,
23 we are limited in what we can do to advocate for
24 unregulated tenants. I cannot count the number of
25 times I've said to a client unfortunately because

2 your apartment is unregulated, your landlord can
3 decide not to renew your lease. It is frustrating to
4 have to explain again and again that while we may be
5 able to negotiate for more time to move or to lower
6 the amount of arrears claimed, ultimately the tenant
7 has no long-term right to remain and unregulated
8 housing. I've also seen on the flip side the positive
9 impact that rent stabilization can have on my
10 client's lives. For example, I worked with a mourning
11 widow whose name was never on the lease to gather
12 documents that proved her relationship to her
13 deceased husband and their co-residency so that we
14 could obtain a renewal lease in her name for the same
15 amount of rent. In an unregulated apartment, whether
16 a spouse is allowed to stay after the death of their
17 partner would be up to the landlord, and even if a
18 landlord were willing to allow the tenant to stay,
19 they would likely use the occasion to draw up a new
20 lease with an increased rent. In this widow's case,
21 however, she and her three children were entitled to
22 remain in their long-term home, allowing some
23 stability in the midst of mourning their husband and
24 father. Tenants of rent-stabilized units also have
25 more avenues to push for repairs. Only regulated

2 tenants can report conditions to DHCR, which sends
3 inspectors to confirm a tenant's complaint and can
4 impose a rent freeze, which can only be lifted after
5 the landlord completes repairs, incentivizing owners
6 to maintain their properties. Another benefit that
7 rent regulated tenants enjoy is the ability to enroll
8 in Department of Finance programs that freeze the
9 rents of some of the most vulnerable rent-regulated
10 tenants, those who are elderly or disabled and have
11 an annual income of less than 50,000. The program
12 works by giving property owners a tax benefit
13 equaling the difference between the frozen rent
14 amount and the increase that would otherwise be
15 allowable so landlords continue to raise the rent,
16 but tenants rent burdens remain the same. This can be
17 life-changing for tenants on a fixed income who
18 cannot afford even a modest rent increase when the
19 public benefits they live off of stay the same. These
20 benefits, however, are only available to regulated
21 tenants. Countless New Yorkers rely on rent-
22 regulations protections every day. New York City
23 needs not only to preserve the existing rent-
24 regulated housing stock but also to create an

2 infusion of new affordable and rent-regulated
3 housing. Thank you.

4 LUCY BLOCK: Hi, good afternoon I'm Lucy
5 Block, and I'm a Senior Research and Data Associate
6 at ANHD, the Association for Neighborhood and Housing
7 Development. I'm going to skip over what was covered
8 in detail earlier, which is that the vacancy is
9 terrible overall, but is also really concentrated at
10 the high end of the market, not just the low end but
11 the middle of the market, we have just a few thousand
12 units. What we did, which is in our testimony, is we
13 calculated based on the HVS how many units would be
14 needed at each rent range in order to get that rent
15 range to 5 percent to be able to compare that among
16 the different ranges. What we found is that you would
17 need 7.5 times as many units renting for below 2,400
18 dollars per month versus above 2,400 dollars per
19 month so we're really concerned about, as you are,
20 the affordability of new units that are coming
21 online, units that are called affordable, but are
22 renting for well above 2,400 dollars and certainly
23 large influxes of market-rate units that are at
24 3,000, dollars such as HPD pointed to earlier. The
25 recent Comptroller reports that the median new unit

2 coming on the market was 3,500 dollars or more for
3 most of last year so new units coming online are
4 absolutely not meeting the real affordability and
5 where we need it. We want to make sure that our
6 policies are all really concentrated on meeting the
7 need. We also looked at the rent-burdened population.
8 We used our AMI cheat sheet to look at what percent
9 of the rent-burdened population, yes, can afford
10 different rents, there's a chart in our testimony
11 with the mismatch between the availability of units
12 at each of the HVS rent ranges and what that
13 translates to in terms of the rent-burdened
14 population so you can see that 64 percent of
15 available vacant units are renting at over 2,400
16 dollars and that's only 12 percent of the rent-
17 burdened population versus on the low end, 7 percent
18 of available units are less than 1,100 which is 36
19 percent of rent-burdened population, and we plane to
20 break this down in further detail in coming months.
21 Some of the solutions, we really appreciate
22 everything you were bringing up earlier. We also
23 think that vouchers are incredibly important to meet
24 some of those lowest-income needs, and thank you for
25 asking HPD about that, about the income levels and

2 the rents of what their existing programs provide.

3 Thank you to the Council for working on expanding

4 vouchers and their flexibility. We think we need to

5 continue to do that, keep investing and making sure

6 that those vouchers can be effective, stop source-of-

7 income discrimination, obviously extend the rent-

8 stabilization laws. I think that's very clear. We

9 also want to make sure that we are defending and

10 fully funding Right-to-Counsel and that all of our

11 development and preservation of affordable housing is

12 really focused at that level below 2,400. Dollars.

13 I'd be happy to elaborate more.

14 CHAIRPERSON SANCHEZ: Thank you. Are there

15 other policies that you believe we should pursue?

16 LUCY BLOCK: Yeah, so just to be a little

17 more specific I think Right-to-Counsel at the City

18 level is an important focus to keep tenants in their

19 existing homes, make sure that they can access all of

20 the available options to stay in their homes, and

21 that should be fully funded. The ask this year is for

22 351 million to make sure that Right-to-Counsel is

23 fully functional because it's incredibly successful.

24 In addition to that, we support the Community Land

25 Act and COPA and, just in general, making sure that

2 all of our public resources, our capital dollars,
3 public land are all being very hyper-targeted and
4 focused to where the need is so we should really be
5 focusing on below 2,400 but, as you know, we need to
6 be getting to extremely low levels of affordability
7 that even 30 percent AMI doesn't necessarily get to,
8 and there's a variety of ways to do that, and we
9 should be pursuing all of them. Some of them are
10 updating our term sheets, relying more on income
11 averaging, project level operating subsidy, and
12 vouchers. There are a lot of means, and they're all
13 really important.

14 CHAIRPERSON SANCHEZ: Thank you.

15 BRENDAN CHENEY: Good afternoon. My name
16 is Brendan Cheney with the New York Housing
17 Conference. Thank you for the opportunity to testify
18 today. I've submitted our full testimony but, in the
19 interest of time, I'll summarize the main points. The
20 latest New York City Housing and Vacancy Survey
21 clearly shows that the City continues to face a
22 housing emergency and growing affordability crisis
23 that warrants the continuation of rent stabilization
24 laws, and the data this time is particularly
25 alarming. They've already gone over a lot of this,

1 but 1.4 percent vacancy rate, the lowest since 1968
2 and for units renting for less than 1,100 dollars, it
3 was just 0.39 percent. Virtually all renter
4 households earning under 25,000 dollars are rent-
5 burdened, and 86 percent of them pay more than half
6 of their income on housing and renter households
7 earning less than 70,000 had a median rent-to-income
8 ratio of 54 percent. This means that the typical
9 renter in New York city was paying more than half of
10 their income on housing and, despite this alarming
11 crisis, we're still not building enough housing.
12 While there was a net increase of about 61,000 units
13 since 2001, the City added 275,000 new households so
14 we're adding more households than we're adding
15 housing. When supply doesn't meet the demand, renters
16 are forced to compete for the same limited number of
17 apartments. This drives up costs and creates an even
18 greater power imbalance between renter and landlord.
19 The data also showed a significant increase in the
20 median income of renters from 50,000 dollars in 2021
21 to 70,000 in 2023. This appears to be driven by big
22 changes in the City's population. Households earning
23 100,000 or more per year increased by 11 percent
24 while the number of households in the City at the
25

2 lower incomes decreased. The scale of the housing
3 affordability crisis is staggering. We must enact
4 multiple changes at different levels of government if
5 we are truly to address the crisis. We must all fight
6 for more funding for affordable housing, construction
7 and preservation, and funding for rental assistance.
8 At the State level, this means supporting the
9 proposed housing access voucher program. At the City
10 level, we must also expand eligibility for CityFHEPS
11 especially. We are supportive of the City of Yes for
12 Housing Opportunity to build a little more housing in
13 every neighborhood, and we look forward to talking
14 with the City Council about that. A new as-of-right
15 rental tax abatement is also necessary to incentivize
16 rental housing production with an affordable housing
17 requirement. Without a rental tax incentive, rental
18 housing production is likely to plummet. Thank you
19 for the opportunity to testify and I'm happy to
20 answer any questions.

21 Thank you so much. Anyone who has this
22 this off the top, on the top of their heads, I don't
23 know what the state..., yeah, you know what I mean,
24 Brendan, you mentioned that households earning
25 100,000 or more increased by 11 percent. Do we know

2 what the corresponding decrease was for lower-income
3 households at any thresholds?

4 LUCY BLOCK: I don't have it offhand, but
5 I remember that was one of the charts that came up. I
6 remember seeing there's a decrease among those two
7 lower-income ranges and there was not much of a
8 change in the third and then a higher increase on the
9 highest end of incomes than there was a decrease, but
10 there was a decrease lower than 25,000 and between
11 25,000 and 50,000.

12 CHAIRPERSON SANCHEZ: Okay. Thank you.
13 Thank you. I meant to ask that earlier. I also meant
14 to ask earlier any thoughts on the number of migrants
15 that the City of New York has welcomed vis-à-vis the
16 2023 HVS findings?

17 OKSANA MIRONOVA: That's a good question.
18 Because the HVS counts units as opposed to people, I
19 think that it would be difficult to say anything
20 about that. Yeah, there's ways to track migration
21 status, basically, within the HVS, but I don't think
22 that you'd be able to figure out who are the newest
23 asylum seekers versus immigrants who have come before
24 that.

2 CHAIRPERSON SANCHEZ: Thank you. Thank you
3 so much. I, in particular, want to thank all of you
4 who were able to join in the pre-hearing discussions
5 to help shape this hearing so Legal Aid Society, New
6 York Housing Conference, the Community Housing
7 Improvement Program, CHIP, Tenants and Neighbors,
8 Citizens Budget Commission, Community Service
9 Society, ANHD, and Regional Plan Association, thank
10 you for participating in that discussion and helping
11 to shape this hearing. Thank you.

12 COMMITTEE COUNSEL ZELONY: Our next panel
13 will be a Zoom panel so when you are prompted to a
14 mute, please accept that prompt. We will start with
15 Robert Desir and then Mike McKee.

16 ROBERT DESIR: Good afternoon. The Legal
17 Aid Society welcomes a chance to testify before this
18 Committee about the continuing housing emergency and
19 the importance of extending the rent laws. The
20 declining number of vacant units available for rent
21 and the fact that housing expansion has not kept pace
22 with population growth and the ongoing public housing
23 crisis have all contributed to the scarcity of
24 available affordable housing. The selected HVS
25 findings show an unprecedented vacancy rate for New

2 York City renters of 1.41 percent, a rate that hasn't
3 been seen since the '60s, a rate that's well under
4 the 5 percent threshold for an emergency and also in
5 stark contrast to the rate that we saw in 2021. The
6 picture is even more dire for very low-rent
7 apartments for whom the vacancy rate is 0.39 percent.
8 Sadly, this decline extends across all of the housing
9 stock that middle- and low-income households reside
10 in. There are 30 percent less Mitchell Lama and
11 project-based Section 8 units than there were in
12 1990. There are over 200,000 families on the waiting
13 list for NYCHA public housing and 17,000 on the
14 waiting list for Section 8 in New York City. This is
15 all also in the face of declining affordability,
16 where the median renter income is 70,000, and half of
17 New York City renter households, those earning under
18 70,000, are severely rent-burdened, paying over half
19 of their income in rent. Among households earning
20 less than 25,000 dollars a year who don't live in
21 public housing or don't have a voucher, 86 percent of
22 those are severely rent-burdened. According to HVS,
23 only 13 percent of the 32,000 apartments available
24 for rent were affordable to New Yorkers earning less
25 than 50,000 dollars a year. Households would have to

2 earn between 100,000 and 150,000 to afford one of
3 these vacant apartments. When families have stable
4 housing, it leads to better outcomes in health,
5 education, and employment. Housing stability vastly
6 increases chances of avoiding issues such as risk of
7 depression and chronic illnesses like diabetes, low
8 weight, and or preterm infants. For children,
9 frequent moves before a child is seven years old
10 leads to greater thought-related and attention-
11 related problems. These problems can reduce
12 educational achievement. Thus, the emergency
13 continues to exist and these essential laws must be
14 extended. The conditions that led to the creations of
15 the laws, such as the high demand, low availability
16 and high rents continue to exist. If the City doesn't
17 act, programs that have been created to protect
18 elderly residents and residents with disabilities,
19 like SCRIE and DRIE, will become meaningless, and
20 these New Yorkers with disabilities and that are
21 elderly will find themselves threatened with eviction
22 and homelessness.

23 Thanks for the opportunity to testify
24 before the Committee. We hope that New York City will

2 extend the rent laws and protect the housing of over
3 1 million families.

4 CHAIRPERSON SANCHEZ: Thank you so much,
5 Robert.

6 COMMITTEE COUNSEL ZELONY: Next, we'll
7 hear from Mike McKee followed by Genesis Aquino.

8 SERGEANT-AT-ARMS: You may begin.

9 COMMITTEE COUNSEL ZELONY: Mike McKee, if
10 there's any testimony you'd like to share, please
11 start now.

12 Okay, hearing nothing, we will move on to
13 Genesis Aquino.

14 SERGEANT-AT-ARMS: You may begin.

15 GENESIS AQUINO: Good afternoon, and thank
16 you, Chairwoman Sanchez, and to the Housing and
17 Buildings Committee Members, for the opportunity to
18 testify today. My name is Genesis Aquino. I'm the
19 Executive Director of New York State Tenants and
20 Neighbors Information Service and New York State
21 Tenants and Neighbors Coalition. We are an affiliate
22 of organizations with the common mission to build a
23 powerful and unified statewide organization that
24 empowers and educate tenants, preserve affordable
25 housing, livable neighborhoods, and diverse

2 communities, and strengthen tenants' protections.

3 Tenants and Neighbors organizes in rent-regulated,

4 Mitchell-Lama, and Project-Based Section 8

5 development citywide. In the buildings where we

6 organize, the story is the same. Low- and moderate-

7 income tenants in New York City are regularly

8 experiencing pressures of displacement. Rents are

9 climbing, and many communities are experiencing the

10 threats of being priced out of their homes. A major

11 cost of the massive affordability and housing crisis

12 is the power of the real estate industry to shape

13 pro-landlord policies and laws. If the purpose of

14 this hearing is to ask if we have an emergency, the

15 answer is yes, it is obvious, New York City is in the

16 worst affordability crisis the City has ever seen.

17 Not only have we lost hundreds of affordable housing

18 rent-stabilized units, the tenants currently living

19 in rent-stabilized apartment are increasingly unable

20 to afford their rent. Rent stabilization is the

21 largest source of affordable housing for low- and

22 moderate-income tenants, and it's largely

23 concentrated in historic communities of color that

24 are now rapidly gentrifying but, unfortunately, we

25 have lost over 600,000 apartments of affordable

2 housing to low-income renters over the last 30 years.
3 There are more than a million units of rent-
4 stabilized housing and 2.5 million tenants in rent-
5 regulated housing. Over 400,000 low-income families
6 live in rent-regulated housing, and most of them are
7 concentrated in Upper Manhattan, the West Bronx,
8 Western Queens, and Central Brooklyn. This pattern is
9 partly the result of vacancy destabilization,
10 especially before 2019, and co-op conversions. The
11 practice of speculative targeting of affordable
12 housing has decimated affordable housing in our
13 communities.

14 CHAIRPERSON SANCHEZ: Thank you for your
15 testimony. Is there anything you wanted to add?

16 GENESIS AQUINO: Yes. Give me one second.
17 Yeah, just, just briefly summarizing the testimony,
18 but, in 60 percent of the tenants who live in non-
19 regulated housing usually they have to relocate,
20 right? When we start organizing, when the tenants
21 start enforcing their rights to livable conditions,
22 right? They usually get displaced and they relocate
23 outside of their own communities. In comparison to
24 the tenants who we organize that live in rent-
25 stabilized buildings, 90 percent of them get to stay

2 in their communities. If they do organize, when we do
3 build tenant associations, they improve their housing
4 conditions so we just want to strongly urge the City
5 Council to determine that a public emergency is
6 requiring rent control in New York City and to
7 continue with the rent-stabilization law of 1975. We
8 also want to echo some of the policies that you
9 should support as mentioned by some of our colleagues
10 here. We would love the City Council to pass the
11 Community Opportunity to Purchase Act, also to
12 support the Neighborhood Pillar Program, the Right-
13 to-Counsel, and also expand the FHEPS program for
14 low-income people. Thank you very much for the
15 opportunity to testify.

16 CHAIRPERSON SANCHEZ: Thank you so much.

17 COMMITTEE COUNSEL ZELONY: Next, Adam
18 Roberts.

19 ADAM ROBERTS: Thank you for holding this
20 hearing today. I am Adam Roberts, Policy Director for
21 the Community Housing Improvement Program, also known
22 as CHIP. We represent New York's housing providers,
23 including apartment building owners and managers. Our
24 members operate New York's rent-stabilized housing,
25 which makes up nearly 1 million units of affordable

housing. Most types of affordable housing in New York are facing a financial crisis, including NYCHA, supportive housing, and pre-1974 rent-stabilized housing. These aging buildings are expensive to maintain and upgrade. Considering the 80 billion needed to renovate NYCHA's 178,000 units of housing, the cost must be far higher for the 1 million units of rent-stabilized housing. Rent-stabilized housing is in even more dire circumstances because the cost of renovations cannot be recouped. Rental income barely covers daily operating costs. This prevents banks, non-profits, and government agencies from lending for renovations while simultaneously reducing building value. Without lending, it is impossible to pay contractors, tradespeople, architects, and engineers for renovating vacant units. They won't work for free. When long-term tenants move out, these units require lead abatement, asbestos remediation, subfloor replacement, electrical rewiring, and bathroom and kitchen renovations, which totals around 100,000 for just a one-bedroom unit. Furthermore, those banks who did previously lend to rent-stabilized housing are themselves facing collapse because of plummeting building values. Since building

values are so low, banks cannot recoup losses through foreclosure. Signature Bank collapsed last year, and New York Community Bank, now the largest lender to rent-stabilized housing, is facing imminent collapse. Without funding for renovations, units are being left vacant after long term occupancies. The Independent Budget Office found over 42,000 vacant units in 2022, an increase of 18 percent, from pre-COVID. Over 13,000 units were vacant for multiple years, a 65 percent increase from pre-Covid. Furthermore, we received numbers from the Department of Finance showing nearly 9,000 units were vacant in both 2021 and 2022. Meanwhile, the Census Bureau found over 26,000 units vacant but not available in the 2023 HVS. It is important to note that both the IBO and DOF numbers, respectively, come from rent registrations and RPIEs. These are filings rent-stabilized buildings submit, not survey samples like the HVS. This makes those filing numbers hard to refute. It is an important consideration for the Council in evaluating HPD's claim that the HVS shows no vacancy issue. While renewing the City's rental emergency and reviewing the results of the HVS, we ask that the Council find a solution to the financial

2 crisis plaguing rent-stabilized housing. Waiting to
3 act means more foreclosures, more vacancies, and the
4 need for a government bailout, which would divert
5 tens, if not hundreds of billions of dollars from
6 necessary social services. We want to be your partner
7 in ensuring this crisis is solved now. Again, thank
8 you for holding this hearing today.

9 CHAIRPERSON SANCHEZ: Thank you. Thank you
10 so much and thank you for your contributions prior to
11 the hearing as well.

12 One followup question for you, Adam. In
13 hearing you discuss the IBO numbers versus Department
14 of Finance versus the Housing Vacancy Survey, it
15 appears the HVS's is a much more detailed survey, it
16 asks many more questions and strives to be a
17 representative sample, which we have very good
18 reasons to trust. We trust the Census generally
19 speaking. Do you have or does CHIP have disagreement
20 with the disaggregation of units that are offline as
21 described by HVS?

22 ADAM ROBERTS: We do, and this isn't to
23 criticize the HVS in particular, but it is just a
24 survey. You've been looking at the numbers from the
25 IBO or DOF, as I said, those are filings that owners

2 submit to agencies. The rent registrations, which the
3 IBO looked at go to HCR, and the RPIEs are the
4 filings that owners with 11 units or more in a
5 building submit to DOF, and those are essentially
6 irrefutable. Are these agencies just making up the
7 numbers? They can't be. We would like to understand
8 more about why the HVS diverges so significantly from
9 what these other filings are seeing and also from
10 what the Comptroller's Office is seeing in the tax
11 delinquencies, which again is a sign that these
12 buildings are no longer making enough value to even
13 pay their taxes.

14 CHAIRPERSON SANCHEZ: Thank you. We'll be
15 following up with HPD.

16 John Crotty or C.A. Goldwell.

17 SERGEANT-AT-ARMS: You may begin.

18 COMMITTEE COUNSEL ZELONY: Okay. With no
19 one else here, this concludes public testimony.

20 If we have inadvertently forgotten to
21 call on someone to testify, please raise your hand
22 using the Zoom raise hand function and we will try to
23 hear from you now.

24 Okay. Thank you very much.

2 CHAIRPERSON SANCHEZ: All right. Thank you
3 all to the members of the public, those tuning in,
4 the media, and all who have contributed to this
5 discussion today regarding the latest findings of the
6 New York City Housing Vacancy Survey. We heard today
7 testimony that shows that New York City's
8 intersecting crises of rising eviction record,
9 homelessness, and housing unaffordability are only
10 worsening. The most recent Housing Vacancy Survey
11 highlights, as reported by HPD, a vacancy rate of 1.4
12 percent, the lowest vacancy rate on record since
13 1960. The survey also shows that nearly 90 percent of
14 low-income New Yorkers, those earning 25,000 a year,
15 or as HPD likes to report, under 20 percent of area
16 median income, over 90 percent of those individuals
17 and families are housing cost-burdened and severely
18 housing cost-burdened. As a result, the Council will
19 be evaluating the findings of the HVS in order to
20 determine whether there continues to be a housing
21 emergency in the City of New York that warrants rent
22 stabilization, but we also recognize, and I also
23 recognize, that the response to the housing crisis
24 needs to be three-pronged. It needs to include
25 conversation and discussion to further housing

2 supply, and importantly, when we're spending taxpayer
3 dollars, it needs to get at the need, which is for
4 those New Yorkers that are earning under 25,000
5 dollars a year and under 20 percent of AMI. We need
6 to continue to look at ways to protect tenants. Rent
7 stabilization and rent regulation is an important
8 component of that, and we will be evaluating its
9 continuance and, finally, we need to ensure that New
10 Yorkers have the ability to stay and afford our city,
11 and that is the conversation around income supports,
12 vouchers, CityFHEPS housing vouchers, as well as
13 Section 8 and pushing our federal and state
14 counterparts to do more for those New Yorkers that
15 need our support the most.

16 Thank you all so much. With that, this
17 hearing is concluded. [GAVEL]

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C E R T I F I C A T E

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



Date March 15, 2024