

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER  
AND WORKER PROTECTION

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Wednesday, June 12, 2024  
Start: 10:07 a.m.  
Recess: 4:49 p.m.

HELD AT: COUNCIL CHAMBERS, CITY HALL

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Gale A. Brewer  
Amanda Farias  
Shekar Krishnan  
Chi A. Ossé

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

Ahmed Tigani  
First Deputy Commissioner  
Department of Housing, Preservation, and  
Development

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Resident of New York City

Bess Friedman  
Resident of New York City

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Sharon Brown  
Citizen of New York

2 SERGEANT AT ARMPITS: Good morning, ladies and  
3 gentlemen-- At this time once again, good morning.  
4 Good morning and welcome.

5 [BACKGROUND VOICES]

6 Okay, good morning, and welcome to today's New  
7 York City Council hearing for the Committee on  
8 Consumer and Worker Protection. At this time, we ask  
9 that you silence all cell phones and electronic  
10 devices to minimize disruptions throughout the  
11 hearing. If you have testimony you wish to submit  
12 for the record, you may do so via email at  
13 testimony@council.nyc.gov. Once again, that is  
14 testimony@council.nyc.gov. At any time throughout  
15 the hearing, do not approach the dais. We thank you  
16 for your cooperation. Chair, we are ready to begin.

17 [GAVEL]

18 CHAIRPERSON MENIN: Good morning. I am  
19 Councilmember Julie Menin. I'm Chair of the consumer  
20 and Worker Protection Committee, and I want to  
21 welcome all of you to our committee hearing. Before  
22 I begin, let me first acknowledge my colleagues who  
23 are present: Councilmember Hudson, Councilmember  
24 Ossé, Councilmember De La Rosa, and I will  
25

2 acknowledge additional colleagues as they come in.

3 And we've also been joined by the Public Advocate.

4 So thank you for joining today the hearing on  
5 Intro 360 also known as the FAIR Act. I appreciate  
6 that so many people feel so strongly about this bill.  
7 We're very appreciative that so many people came out  
8 to testify today, and we really look forward to  
9 hearing from each and every one of you.

10 Two thirds of New York City's residents are  
11 renters, and most of us have had first-hand  
12 experience with the stressful and frustrating  
13 apartment hunting process. In many instances, that  
14 process includes paying a broker fee to a licensed  
15 real estate agent or broker hired by the property  
16 owner to advertise the apartment, arrange showings,  
17 and put together applications.

18 Brokers fees typically range from one month's  
19 rent or 8.3% of the annual rent to 15% of the annual  
20 rent or more. There are currently over 21,000  
21 licensed real estate brokers in New York City who  
22 assist prospective tenants and property owners by  
23 filling vacant apartments with tenants. Real estate  
24 brokership tenants navigate this complex rental  
25 market and help property owners facilitate showings

2 and market their available units. The bill that we  
3 are hearing today, Intro 360, sponsored by  
4 councilmember Ossé, would require that any broker fee  
5 associated with a residential real estate transaction  
6 for a rental property be paid by the individual who  
7 hired the broker to facilitate the transaction.

8 We look forward to hearing from tenants about how  
9 this bill would impact their ability to lease an  
10 apartment. We look forward to hearing from real  
11 estate agents and brokers about how this bill would  
12 affect the services they provide. And we look  
13 forward to hearing from the Administration and other  
14 stakeholders about how we can make residential real  
15 estate transactions more transparent and more  
16 equitable.

17 Before we get started, I want to emphasize that  
18 today's hearing must be conducted in an orderly  
19 manner to ensure that the public has a full  
20 opportunity to be heard. I know we have a lot of  
21 speakers today. So, we want to just make sure  
22 everyone understands the Council's rules. Do not  
23 clap, boo, or shout approval or disagreement from the  
24 audience. If you have agreement, this is fine.

25 [MAKES JAZZ HANDS SIGN] But again, we do not want

2 anyone clapping, booing, shouting, or making other  
3 noise, because it disrupts the proceedings.

4 If you wish to make a statement, fill out a  
5 witness slip with the Sergeant at Arms who are around  
6 this room. Every speaker will have two minutes for  
7 the public to be able to testify.

8 I'm now going to turn it over to my colleague,  
9 Councilmember Chi Ossé to make a statement on his  
10 bill. Thank you.

11 COUNCILMEMBER OSSÉ: Thank you so much, Chair  
12 Menin, and good morning to everyone here today. I  
13 really appreciate the amount of people that have  
14 showed up to testify, both for this bill as well as  
15 against. I thank you for participating in our  
16 wonderful democracy.

17 Thank you also to my colleagues and members of  
18 the committee.

19 New York City is one of just two major cities in  
20 our nation in which tenants are forced to pay the fee  
21 for a broker they did not hire. That system is bad  
22 for the economy, brutal for renters, and plainly  
23 unfair. The FARE Act, which stands for Fairness In  
24 Apartment Rental Expenses Act, will finally bring  
25 fairness to apartment rental expenses.

2       The average move in cost for New Yorkers and new  
3 people living in New York City is now over \$10,000.  
4 This is a burden very few people and families can  
5 bear. We should name those who suffer under the  
6 system of forced broker fees in order to solve the  
7 magnitude of the crisis we are here to solve: The  
8 union worker unable to move near her job; the young  
9 couple that wants to have a child but can afford to  
10 trade in their studio for a two bedroom, so they put  
11 off building a family; the graduate moving to the  
12 city of for work; and the artist moving here to add  
13 to the rich fabric of the world's cultural capital;  
14 the woman seeking to leave her toxic relationship,  
15 but who stays because she lacks the savings for a new  
16 apartment; the immigrant working hard to build a life  
17 here; the young man finally ready to move out of his  
18 family home, but stay in his childhood neighborhood  
19 and is instead driven from New York City altogether.

20       There are a million of these stories and more in  
21 the greatest city in the world. Each story is  
22 unacceptable and caused by an exploitative system  
23 that exists virtually nowhere else.

24       The FARE Act would end this abuse and be an  
25 economic boon to the five boroughs.

2 Some are here today to argue against this bill.  
3 They are mistaken to do so, and I will briefly  
4 explain why.

5 They will argue, in testimony prepared largely by  
6 the Real Estate Board of New York that the FARE Act  
7 is bad for tenants because it will lead to increased  
8 rents.

9 This assertion is disingenuous and wrong,  
10 primarily for three reasons: One, nearly half of New  
11 York City rental units are rent stabilized, meaning  
12 rent legally can't be raised beyond the levels  
13 established each year by the rent guidelines board;  
14 two rent is determined by market forces, not  
15 landlords. If a landlord could magically raise your  
16 rent by several thousand dollars tomorrow, he surely  
17 would have yesterday. The fact that he did not  
18 indicates that he cannot, because he is already  
19 charging the highest that the market forces of supply  
20 and demand will allow. A landlord can ask for any  
21 rent he'd like, but he will only receive only what a  
22 tenant can pay. It's ECON-101.

23 During COVID, when demand fell, rents plummeted,  
24 thanks to supply and demand. If rent were indeed set  
25 by landlords and not market forces, they would not

1 have voluntarily slashed it during a period of low  
2 demand.  
3

4 Three, under the current system of forced broker  
5 fees, tenants are at a disadvantage during lease  
6 renewal, with \$10,000 upfront move-in costs,  
7 primarily due to broker fees, a landlord can demand  
8 much higher rent at lease signing, knowing the  
9 "captive tenant" has nowhere to go. Under the FARE  
10 Act, the tenant can freely leave at the end of any  
11 lease and use this fact to significantly increase  
12 their bargaining power during renewal.

13 In short, the FARE Act will put downward pressure  
14 on rents.

15 So now we understand the deep and unjust pain  
16 inflicted by broker fees, by forced broker fees, and  
17 we understand that the FARE Act would alleviate this  
18 pain. While putting downward pressure on citywide  
19 rents, the bill is common sense, which is proven by  
20 its endorsements of 33 Councilmembers and 12 labor  
21 organizations.

22 I look forward to public testimony, and  
23 ultimately bringing America's most expensive city to  
24 a new equitable and fair era by passing the FARE Act.

25 Thank you Chair.



2 CHAIRPERSON MENIN: Thank you very much. I'm now  
3 going to call on the Public Advocate to make an  
4 opening statement. Thank you.

5 PUBLIC ADVOCATE WILLIAMS: Thank you, Madam  
6 Chair. My name is Jumaane Williams, and I'm the  
7 Public Advocate for the City of New York. I'd like  
8 to thank Chair Menin and members of the Committee on  
9 Consumer and Worker Protection for holding this  
10 hearing, and Chi Ossé, Councilmember Ossé for  
11 introducing this legislation.

12 As a co-sponsor of Intro 360 introduced by  
13 complete Ossé, I'm in support of the bill, as it  
14 would help shift the significant housing cost to  
15 whomever contracts the broker, instead of always  
16 falling on the prospective tenant. To rent an  
17 apartment today, prospective tenants usually have to  
18 pay a brokerage fee on top of the cost to move in  
19 their building, the traditional first month of rent,  
20 as well as security deposit for a month or two.

21 Additionally, while illegal, some brokers and  
22 property owners do ask for a key fee to transfer the  
23 key to the new tenant. According to StreetEasy, it  
24 costs an average of \$10,500 to move into an  
25 apartment, with the largest portion going to brokers

2 fees. This system contributes to the city's housing  
3 affordability crisis. As of February 2024, New York  
4 City's Department of Housing and Preservation  
5 Development, HPD, reported the initial findings of  
6 the latest NYC housing and vacancy surveys on HBS to  
7 the City Council, and shared the vacancy rate reached  
8 a historic low of 1.4%. Additionally, quote/unquote,  
9 "among units renting for under \$2,400 the net rental  
10 vacancy rate is below 1%." The vacancy rate dropped  
11 over the last two years, even as city has added  
12 60,000 new homes. And findings also communicate that  
13 86% of households who earn less than \$50,000, without  
14 rental assistance are rent burdened. At the recent  
15 2024 preliminary vote meeting, the rent guidelines  
16 board proposed further rent increases on rent  
17 stabilized tenants, both for one-year and two-year  
18 leases. By removing brokerage fees, this legislation  
19 would help the NYC housing market become more  
20 elastic, giving tenants more access to housing by  
21 allowing them to move more easily and affordably.

22 No other city in the US besides Boston has this  
23 unique practice of requiring tenants to pay brokers.  
24 It is time for us to ease the burdens of these up-  
25 front costs. And some of the worst examples we've

2 seen are stories of someone paying a broker fee, and  
3 not being connected to housing or being forced to pay  
4 these fees when they've gone through the process of  
5 finding housing without the assistance of broker  
6 agents.

7 This bill ensures whoever hired a broker pays  
8 regardless of whether it's a landlord or potential  
9 tenant. Tenants need to know that they can  
10 compensate a broker only when they hire one to  
11 represent them, which will provide them with  
12 increased transparency and financial relief to up-  
13 front rental costs.

14 We are in the midst of trying to build more  
15 affordable housing and preserve the housing that we  
16 have, while fixing our public housing and other  
17 housing systems. We are trying to help New Yorkers  
18 and assist asylum seekers with connecting to home  
19 from shelter residents. All of this can be done with  
20 less financial burden on tenants, who should not have  
21 to pay additional costs to obtain residents to begin  
22 with.

23 I'm coming with experience of having the fear of  
24 being a tenant and trying to rent an apartment,  
25 having to pay that fee, and also being a landlord,

2 being told I won't pay the fee, and was very much  
3 relieved back then, not even understanding how that  
4 burden might be felt to the person who will be paying  
5 it.

6 I did want to just make clear that we are in this  
7 crisis, and our leaders are not doing the best to  
8 help us. The Mayor rent guidelines board appointees  
9 will now be the second year in a row putting the  
10 highest rent that we've seen in the past two decades.  
11 The Mayor is fighting the City Council on changes  
12 made to rent vouchers. The Mayor and the Governor  
13 have not been very supportive of Good Cause Eviction.  
14 The Governor now put money in for new housing  
15 vouchers.

16 We have to make some changes, some place, to try  
17 to ease the housing crisis that we have. Those  
18 changes are going to be difficult, but we have to  
19 find the best way to do it. I did not support the  
20 first iteration ideas of these that were lowering and  
21 taking away the broker's fees, but this one seems to  
22 be a much fairer balance to make sure that brokers  
23 can get paid for the work that they're doing, while  
24 releasing some of the pressures of tenants who are

2 unable to find the housing in this housing market as  
3 homelessness increases. Thank you.

4 CHAIRPERSON MENIN: Thank you so much. I also  
5 want to mention we've been joined by Councilmember  
6 Nurse, Councilmember Avilés, Councilmember Marte.

7 And if anyone needs a device for interpretation,  
8 please go to the lobby and you can pick up a headset.

9 We will now call representatives of the  
10 Administration to testify. We'll be hearing  
11 testimony from HPDs First Deputy Commissioner, Ahmed  
12 Tigani. I'll now turn it over to the Committee  
13 Counsel for the affirmation.

14 COMMITTEE COUNSEL: Do you affirm to tell the  
15 truth, the whole truth and nothing but the truth  
16 before this committee and to respond honestly to  
17 Councilmember questions?

18 FIRST DEPUTY COMMISSIONER TIGANI: I do.

19 COMMITTEE COUNSEL: You may begin.

20 FIRST DEPUTY COMMISSIONER TIGANI: Good morning,  
21 Chair Menin and members of the Committee on Consumer  
22 Protection. My name is Ahmed Tigani, and I am the  
23 First Deputy Commissioner at the New York City  
24 Department of Housing, Preservation, and Development.

2 Thank you for the opportunity to testify on the  
3 proposed legislation on today's agenda.

4 Our priority at HPD, above all else, is to  
5 confront New York City's housing crisis with urgency,  
6 dedication, and when needed, creativity. We are  
7 always open to new solutions and are excited by an  
8 opportunity to discuss new legislation.

9 All New Yorkers should be able to choose homes in  
10 neighborhoods that they love, the communities that  
11 they want to build their lives in next. Some  
12 prioritize proximity to local schools, while others  
13 prioritize being within arm's reach of a playground,  
14 or their place of employment, and weigh numerous  
15 considerations about how to make the right choice.

16 As a father to a young child, my family has been  
17 faced numerous times with the question of whether  
18 where we live provides us the best situation for  
19 connecting him to the life we want to give him. I  
20 also think about my single mother's effort to secure  
21 housing for our family, and the questions that must  
22 have come up for her as a renter with limited  
23 resources about how to prepare if we had to make the  
24 decision to look for a different home.

1  
2       These conversations are felt by New Yorkers of  
3 all backgrounds and incomes, in many ways, most  
4 acutely for our most vulnerable neighbors, and the  
5 decisions become tougher as the situation gets  
6 compounded by other external factors.

7       I say this because with an alarmingly low rental  
8 vacancy rate, finding an apartment that meets your  
9 needs can feel like an impossible task. At HPD, we  
10 want to do everything we can to improve access to  
11 affordable housing. Currently, New York City's  
12 vacancy rate sits at a mere 1.41%, the lowest that's  
13 been since 1968. To put that into perspective,  
14 during our recent New York City Housing and Vacancy  
15 Survey, out of over 2.3 million renter households,  
16 there were only about 33,000 homes available for  
17 rent. For lower income New Yorkers seeking  
18 affordable housing, these options are essentially  
19 nonexistent. That's why we're deeply committed to  
20 improving the process of finding and renting a home  
21 in New York City.

22       I firmly believe that the solution to our housing  
23 crisis lies in constructing more housing,  
24 safeguarding our existing stock of affordable  
25

2 housing, and ensuring that New Yorkers have  
3 meaningful options in our housing market.

4       The City needs to ensure that there's enough  
5 housing of all types, especially low-cost and  
6 affordable housing in every neighborhood. This  
7 requires affordable housing development, but also  
8 changes that allows the private market to build  
9 additional housing that the city needs. That's why  
10 we're working with our partners at the Department of  
11 City Planning and across the Administration to  
12 implement policies to support a little more housing  
13 in every neighborhood, which, taken together, will  
14 have a big impact on New Yorkers housing needs.

15       Another part of ensuring that New Yorkers have  
16 meaningful Housing Choice is through our tenant  
17 protection work. This includes inspections to  
18 enforce the housing maintenance code enforcement  
19 programs, focused on the stress buildings through the  
20 Emergency Repair Program, Alternative Enforcement  
21 Program, the 7A Program and the Underlying Conditions  
22 Program. HPD represents the City in 7,800 tenant-  
23 initiated actions in housing court, and initiated 240  
24 comprehensive litigation cases seeking civil



penalties in order to correct in the calendar year 2023.

Our anti-harassment unit works to proactively identify bad actor owners, and when necessary, initiate litigation to address disruptions of essential services, false certifications, and failure to address hazardous violations. It also includes ongoing research and education through classes and events, often in partnership with elected officials and community-based organizations to bring housing, information, resources, services, and one-on-one assistance directly to tenants. We deploy our outreach vans to ensure we can access New Yorkers wherever they are across the five boroughs.

It is clear that the proposed broker fee legislation strikes a chord with New Yorkers, and we understand why. For New Yorkers, moving costs can be prohibitively expensive and a financial barrier to securing housing amongst a limited number of options. The process leading up to a housing search, either by choice or due to unforeseen circumstances, for many households can result in an impossible scenario where you have to choose between paying rent, covering basic expenses or saving for the future.

1  
2       At the same time, there is tremendous value in  
3 housing search support and the operational knowledge  
4 that brokers can provide both tenants looking to find  
5 a home, especially in communities where listings are  
6 harder to find, and property owners navigating the  
7 process of making their units available is  
8 invaluable.

9       The Administration is therefore actively  
10 evaluating this legislation, carefully considering  
11 the potential impacts, both intended and unintended,  
12 on tenants, brokers, and landlords. We take these  
13 steps to do our due diligence, because with any  
14 legislation, it may have consequences that are  
15 difficult to identify and quantify, including  
16 potentially passing fees to tenants through other  
17 charges or increased rents, particularly for units  
18 that are not rent stabilized.

19       We look forward to hearing the public feedback on  
20 this legislation today, diving deeper into the policy  
21 with the bill sponsors and stakeholders weighing in  
22 on this bill, so that there is a robust conversation  
23 about ways to ensure New Yorkers have transparency in  
24 the rental process.

2 On behalf of the Administration, we want to thank  
3 the City Council for their leadership on this issue.

4 CHAIRPERSON MENIN: Thank you very much. I also  
5 want to mention we've been joined by Majority Leader  
6 Farias and Councilmember Powers.

7 So I have a number of questions, and then I will  
8 turn it over to my colleagues for their questions.

9 How many complaints do you currently get from  
10 tenants about brokers fees, and what is the nature of  
11 those complaints?

12 FIRST DEPUTY COMMISSIONER TIGANI: I don't have  
13 exact number on complaints that we get about broker  
14 fees. Broker fees are-- as many fees related to the  
15 non-regulated or the private market units are subject  
16 to state regulation, so they don't normally-- or they  
17 wouldn't be channeled through HPD.

18 CHAIRPERSON MENIN: And in terms of your position  
19 on Intro 360, obviously you testified about it. What  
20 would the Administration suggest in terms of  
21 enforcing Intro 360?

22 FIRST DEPUTY COMMISSIONER TIGANI: Based on my  
23 understanding, the enforcement of fees of this nature  
24 live within state regulation, and additionally  
25 anything related to the profession of--

2 CHAIRPERSON MENIN: I'm sorry, can you repeat  
3 that?

4 FIRST DEPUTY COMMISSIONER TIGANI: So fees of  
5 this nature are typically subject to state  
6 regulation, which is my understanding. We are  
7 reviewing the legislation as an administration and  
8 trying to make sure that we understand it thoroughly.  
9 But that, in addition to the licenses, which are  
10 overseen by the Department of State, both seem to be  
11 on a state level regulation.

12 CHAIRPERSON MENIN: How does HPD interact with  
13 brokers fees for projects that HPD funds?

14 FIRST DEPUTY COMMISSIONER TIGANI: So, for HPD  
15 projects, any administrative fees associated with our  
16 regulated units are part of a management plan that  
17 needs to be approved by HPD. We do not have broker  
18 fees in our regulated projects. There are some fees  
19 that may be allowed for special housing types like  
20 Mitchell-Lama, but we have no broker fees.

21 We work-- We put our units out to the public  
22 through Housing Connect, and the managing agents that  
23 work with owners in that process are part of that  
24 process. There is no application fee or broker fee  
25 connected to that work, in the Housing Connect work.

2 With voucher work, that exists in a different space,  
3 and broker fees may be involved, but for many people,  
4 they may have access to broker fee support through  
5 HRA.

6 CHAIRPERSON MENIN: Now, you mentioned that  
7 you're not receiving complaints directly about  
8 brokers fees. But have you looked into any ways that  
9 tenants can convey concerns directly to HPD?

10 FIRST DEPUTY COMMISSIONER TIGANI: I will--  
11 First of all, I will go and double check and make  
12 sure that-- if there is a number that we report to  
13 the Council. But since it does not typically come to  
14 HPD rather than 311, the City does have, through the  
15 Tenant Protection Cabinet, a tenant helpline. The  
16 Tenant Helpline is staffed by housing specialists  
17 that can help direct questions about relief or  
18 questions about the legality of any particular fees  
19 to the right enforcement agency.

20 So, a tenant can either call 311 to be connected  
21 to the Tenant Helpline, they can go online to the  
22 website that has a centralized bank of information to  
23 be able to get resources and know where to go, and  
24 there's some automated chat features to help with  
25 some basic questions.

2 CHAIRPERSON MENIN: Okay. I'm going to pass it  
3 on to my colleague, Councilmember Ossé, and then  
4 other colleagues for their questions.

5 COUNCILMEMBER OSSÉ: Thank you, Chair menin, and  
6 good morning. I know that initially, DCWP, the  
7 Department of Consumer and Worker Protections, was  
8 supposed to testify today, but they were unable to.  
9 I know that they're going to be the, or would be the  
10 potential agency to provide enforcement if this bill  
11 were to pass. I am aware that most of HPD's purview  
12 and enforcement power lies with protecting existing  
13 tenants in their current housing situation and  
14 holding landlords accountable, not necessarily, the  
15 real estate transactions that happen before a tenant  
16 becomes a resident of the building.

17 Can HPD potentially expand its current programs  
18 or initiatives, such as the Office of Tenant  
19 Harassment, or expand their Certificate of No  
20 Harassment to protect prospective tenants, landlords,  
21 and brokers in a rental transaction?

22 FIRST DEPUTY COMMISSIONER TIGANI: I-- Again,  
23 these are questions that we're looking at. I would  
24 say that if these issues come up through our  
25 proactive anti-harassment work, or if questions come

2 up through the Tenant Helpline, or in any of our  
3 outreach events and engagement activities, we would  
4 make sure that that tenant would be directed to the  
5 proper enforcement agency to seek relief. Yes.

6 COUNCILMEMBER OSSÉ: And what agency would you  
7 feel is best suited to handle this enforcement then?

8 FIRST DEPUTY COMMISSIONER TIGANI: Uh, DCP can  
9 speak to that question. But as I mentioned earlier,  
10 the Administration is reviewing this and can come  
11 back with further options.

12 COUNCILMEMBER OSSÉ: Right. Because I know that  
13 HPD is not the agency that would provide enforcement  
14 for this, and I know DCP was initially going to  
15 provide testimony, I don't have any further  
16 questions. Thank you.

17 CHAIRPERSON MENIN: Thank you. I'm now going to  
18 call on Councilmember Hudson for her question.

19 COUNCILMEMBER HUDSON: I actually was going to  
20 ask if you could speak to why DCWP isn't here. It is  
21 all of our understanding that they would be the  
22 agency to enforce such a bill, and the Administration  
23 sent HPD instead of DCWP. So, I don't know if you're  
24 authorized to speak on that, but I would love to know  
25 why DCWP isn't actually here.

2 FIRST DEPUTY COMMISSIONER TIGANI: I can't speak  
3 to why DCWP is not here. I can say that HPD wanted  
4 to be here to answer any questions about housing  
5 market information, our experience with creating  
6 housing.

7 The larger thought we just want to continue to  
8 enforce is that now that we are in a housing crisis  
9 that's been mentioned by many people here, and prior  
10 to this hearing, we want to emphasize the focus on  
11 making sure that we're building and creating new  
12 housing and preserving housing. But I can't speak to  
13 the reason the other agency is not here.

14 COUNCILMEMBER HUDSON: I'll say just for the  
15 record. I mean, we certainly appreciate HPD's  
16 willingness to be here as a city agency that would, I  
17 think, in part, be associated with, with what we're  
18 talking about.

19 But I also want to state for the record that the  
20 fact that DCWP, who would be the primary agency  
21 responsible for such a bill is not here is noted. It  
22 also hinders our ability as Councilmembers to ask the  
23 most appropriate questions and to get relevant  
24 answers. So, thank you for being here. But I just  
25 want to make clear to everybody that's here and



2 again, for the record, that without the agency solely  
3 responsible for implementation of this bill, it makes  
4 it really difficult for us to get the answers and to  
5 have the productive and constructive hearing that we  
6 were hoping to have this morning. So, thank you,  
7 everyone for being here, but DCWP really should be  
8 here as well. Thanks.

9 FIRST DEPUTY COMMISSIONER TIGANI: The only thing  
10 I'll add, I appreciate that Councilmember, I will  
11 just emphasize, as an administration, all the  
12 relevant agencies, the law department, these are-- we  
13 are in active conversations, so we will be listening  
14 to the feedback and the questions that come out of  
15 this discussion at this point in the process, and  
16 making sure that we're bringing back ideas and  
17 continuing the discussion with Council.

18 COUNCILMEMBER HUDSON: Yeah. And again, we  
19 appreciate that from you, but I'm making my point  
20 about DCWP. Thank you.

21 CHAIRPERSON MENIN: The Public Advocate?

22 PUBLIC ADVOCATE WILLIAMS: Thank you. And I want  
23 to associate myself with everything the Councilmember  
24 said. I know you don't have specific information  
25 about complaints. The information that you do have:

2 Has it been shown that the broker's fees have been  
3 prohibitive for some folks to get into housing?

4 FIRST DEPUTY COMMISSIONER TIGANI: I think-- I  
5 think basically, the combination of both the low  
6 vacancy rate and our inability to build the supply  
7 that we need has-- We know that there's pressure.  
8 There's a number of different pressures on the  
9 market. Both our zoning and our regulatory  
10 environment is not as equipped to be able to build  
11 the supply that we need, which then creates a lot of  
12 pressure on both-- on all the actors in the housing  
13 industry.

14 So, you know, the reason why-- I think-- As I  
15 said, we're excited to talk about new legislation is  
16 that we're looking for as many ways as we can to  
17 create transparency, and access, and maneuverability  
18 in the housing market.

19 PUBLIC ADVOCATE WILLIAMS: You mentioned a couple  
20 of forces that are making it difficult.

21 FIRST DEPUTY COMMISSIONER TIGANI: Yes.

22 PUBLIC ADVOCATE WILLIAMS: Is the entry into  
23 housing, including brokers fees, one of those things?

24 FIRST DEPUTY COMMISSIONER TIGANI: That's not a  
25 data point that I have, so I can't speak to it in any

2 quantitative manner. I know that basically we are--  
3 we are seeing that there are multiple ways that  
4 creating access to housing is difficult. Sometimes  
5 it has to do with the availability of a unit to be  
6 rented at that point, because of the condition of  
7 that unit. It has to do with navigating any  
8 regulatory pieces to putting a unit up and then  
9 finding and going through any process to bring a  
10 tenant into that unit.

11 You know, in our regulated housing it's something  
12 that we have constantly looked at. It's the reason  
13 why we've removed paperwork from the process. We've  
14 gotten rid of credit checks for tenants with rental  
15 assistance. We're looking at reducing the income  
16 eligibility paperwork, so that people can move  
17 through the process faster, moving the file  
18 information review to the back-end audit. We see  
19 that through the overall process of bringing tenants  
20 into housing, there could be improvements being made,  
21 and there are similarities in the private market as  
22 they go through the tenant selection process.

23 PUBLIC ADVOCATE WILLIAMS: And you don't have  
24 the-- You say you don't have the data point. Who  
25 would have the data?

2 FIRST DEPUTY COMMISSIONER TIGANI: You know, I  
3 can go back and talk to others in the Administration.  
4 We can reach out to 311 and see what complaints that  
5 they have, and come back to you.

6 PUBLIC ADVOCATE WILLIAMS: Thank you.

7 CHAIRPERSON MENIN: Great. Thank you so much.  
8 Now I'm going to turn it over for questions to  
9 Councilmember Nurse followed by Councilmember Avilés.

10 COUNCILMEMBER NURSE: Thank you, Chair. So, you  
11 right now are basically saying you have zero data  
12 points to offer in this hearing, a hearing that you  
13 knew was going to be about broker fees. You have  
14 literally zero data you're not able to answer any  
15 questions. Can you explain to me exactly what the  
16 relationship of HPD is to broker fees of any point?  
17 To enforcement, to advising or putting any input on  
18 this system of broker fees in the city?

19 FIRST DEPUTY COMMISSIONER TIGANI: I can  
20 Councilmember. So, I think one thing, one role that  
21 HPD is playing in the evaluation of the bill is to  
22 understand what could be the intended and unintended  
23 consequences of a bill.

24 COUNCILMEMBER NURSE: So, what are those intended  
25 and unintended consequences?

2 FIRST DEPUTY COMMISSIONER TIGANI: Sure. So,  
3 there are-- You know, basically there are costs  
4 associated with renting a unit, and understanding how  
5 those costs shift when things are allowed and not  
6 allowed is one thing that HPD could lend its  
7 expertise.

8 COUNCILMEMBER NURSE: So do you have something  
9 conclusive to offer today?

10 FIRST DEPUTY COMMISSIONER TIGANI: As I mentioned  
11 earlier, the Administration continues to review the  
12 legislation and are waiting to hear more feedback,  
13 talk to the Council, continue that evaluation with  
14 other agency partners.

15 COUNCILMEMBER NURSE: I just want to say, I think  
16 you have wasted-- maybe not you personally, because  
17 I'm sure you didn't make this call, but this  
18 Administration has wasted our time today. You all  
19 knew that many people were going to be here today,  
20 because this clearly impacts so many New Yorkers, and  
21 you all showed up with no data, no input, nothing  
22 conclusive, no analysis to offer on this bill. It's  
23 embarrassing, truly embarrassing.

24 People here-- There's a lot of people here who  
25 have something to say. They want to actually make a

2 system that works in the middle of a housing crisis,  
3 and they left you on the chopping block, to come here  
4 and have no input on this. I mean, this is just--  
5 this is disgusting. It truly is. I'm-- I am livid  
6 right, now because I'm a tenant. A lot of people  
7 here are a tenant. A lot of people in this room are  
8 tenants. We are desperate. And you have come here  
9 with nothing to offer, not even substantive debate.  
10 It's one thing if you came and said, "We disagree  
11 with this bill, and here's why, point one, two,  
12 three." But you're not even coming with that. What  
13 you're saying is a lot of nonsense sentences.

14 FIRST DEPUTY COMMISSIONER TIGANI: Councilmember  
15 with due respect, I-- You know, I've come here as a  
16 representative of the Administration to say that we  
17 believe that there is an important discussion here.  
18 We believe that there are elements of the housing  
19 industry where we can continue to work to push for  
20 better access for tenants into housing. We have been  
21 successful in some parts in our regulated stock. We  
22 believe that there is a discussion where we need to  
23 hear from stakeholders. That's what this hearing is  
24 set up to do, what we've convened. We want to hear  
25 this information, take that into our evaluation, and,

2 like all pieces of legislation, continue the  
3 discussion with the Council after today.

4 COUNCILMEMBER NURSE: You knew this was coming,  
5 even if you're not the agency that has to directly  
6 deal with this. If it was me, I would have come  
7 prepared, no matter what my boss told me, because I  
8 would never want to show up to something unprepared  
9 like this. Thank you Chair.

10 CHAIRPERSON MENIN: Thank you. Now,  
11 Councilmember Avilés.

12 COUNCILMEMBER AVILÉS: Thank you Chair. I share  
13 my colleagues frustration here. To spend time-- The  
14 amount of effort that goes in to getting us all here  
15 to this table, months of activity, to sit in front of  
16 a dais that is empty with such a critical issue is  
17 truly a slap in the face, and it seems to be a  
18 hallmark of this Administration.

19 I thank you for being here, and I know you do  
20 good work at HPD, but I think you've also answered  
21 our question when you noted HPD projects don't have  
22 broker's fees because you are working to make sure  
23 that the most vulnerable New Yorkers, those with low  
24 incomes, those working-class New Yorkers, are going  
25 to get access to units.

1           So you have answered the question for us, despite  
2           having no information for us. And I will say it is  
3           unconscionable that in a housing crisis, we have an  
4           Administration that won't even come to the table with  
5           some analysis, that won't contribute to a  
6           constructive conversation, because this impacts so  
7           many lives, both the brokers who are here, the  
8           renters who are here, and families who cannot live in  
9           neighborhoods because they can no longer afford to do  
10          so.

12          We need to do better. And you have an analysis.  
13          This Administration has experience, and has analysis,  
14          it has research, it has capability, and it  
15          demonstrates nothing. It is truly unfortunate. And  
16          I hope everyone in this room, no matter what your  
17          feeling is on this system, the fact that we cannot  
18          engage in a dialogue. That you're listening, when  
19          you know this is a crisis is truly appalling. And I  
20          don't mean to direct that to you. I am talking to  
21          the Administration and the executive apparatus that  
22          has millions of dollars at its disposal, many, many  
23          full-time staff, that you do not come here to have a  
24          full and honest discussion about what is occurring on  
25          the ground.



2 So, I'm sorry, Chair. Thank you for that. Thank  
3 you for the time.

4 CHAIRPERSON MENIN: Thank you very much. So, I'm  
5 going to make a request, because quite honestly, as a  
6 Chair of this Committee, we have over 400 people that  
7 are signed up. I'm going to be here honestly all  
8 night, along with my colleague, Councilmember Ossé,  
9 to hear from the public. And so, no matter where one  
10 stands on the bill if you're strongly for it, if  
11 you're strongly against it, the data is important.

12 So, I started off the hearing with unbelievably  
13 rudimentary data questions that are, you know, no  
14 matter where one stands on the bill, we just want to  
15 have this data. How many broker-- complaints about  
16 brokers fees? How many tenant complaints do you have  
17 about brokers fees? What is the content of those  
18 complaints? What is HPD doing in terms of their own  
19 projects and brokerage fees?

20 So, I'm going to ask that this committee get the  
21 data by 5pm today. So, while we are still here  
22 speaking to the public, we have the necessary data to  
23 properly conduct this hearing.

24 Thank you, and now turn it over to Councilmember  
25 Ossé.

2 COUNCILMEMBER OSSÉ: Thank you so much, Chair  
3 Menin. I wanted to follow up on a point you made  
4 about this being a state regulation or a-- can you  
5 speak to why you believe that is the case?

6 FIRST DEPUTY COMMISSIONER TIGANI: Yes. So, on  
7 the licenses, I think it's a fairly well-documented  
8 where licenses for real estate brokers exist, and so  
9 anything related to that profession would live there.  
10 On-- When it comes to things related to rental  
11 payments in the private market, non-HPD regulated  
12 housing, we would-- we usually defer that to state  
13 regulation. More often than not, it lives within the  
14 Office of Rent Administration within HDR.

15 COUNCILMEMBER OSSÉ: Okay, so that's the only  
16 thing you came here with. And I disagree with that  
17 statement on multiple reasons. One, the state deals  
18 with rent and setting rents. The broker fee is a fee  
19 that is not considered rent. It is a prepayment or a  
20 payment for a service, right?

21 Two, the Albany Supreme Court struck down the  
22 2020 Guidance because of two issues: One, the  
23 guidance was ordered by an agency in the Department  
24 of State and not the legislative body. The judge  
25 ruled that an agency could not and does not have

2 lawmaking authority if you are referring to the law  
3 of 2020.

4 Third, the Department of State, through its real  
5 estate board, governs the licensure, as you said, and  
6 continuing education of real estate state  
7 salespersons and brokers. The board deals with the  
8 laws written in Article 12-A of the state's real  
9 property law. Currently, there is no statute or law  
10 in Article 12-A that would likely preempt the City  
11 from legislating on who pays for the broker fee.

12 The primarily the-- Primarily the laws in  
13 Article 12-A that deal with compensation are laws  
14 that talk about who the broker can split fees with,  
15 or who a real estate salesperson can receive  
16 compensation from.

17 And I think you-- you hinted at a point about  
18 this potentially not being a city--

19 FIRST DEPUTY COMMISSIONER TIGANI: No. I-- As  
20 far as-- Two things: One DOS passed guidance, not a  
21 law, and it was based on a 2019, piece of state law,  
22 which is why I was referring to the state law--

23 COUNCILMEMBER OSSÉ: Okay.

24 FIRST DEPUTY COMMISSIONER TIGANI: --and that  
25 oversight. As far as the City's position on whether-

2 - on the bill and regulatory power, that's still--  
3 that's still something that's being reviewed.

4 COUNCILMEMBER OSSÉ: Being discussed. Right.

5 So, I'll just speak to that. Because the government  
6 can regulate. The city government can regulate  
7 private businesses to promote the public's health,  
8 safety, welfare, and morals. The Council has passed  
9 numerous resolutions declaring an emergency with the  
10 city's housing crisis. Therefore, this is a public  
11 need we need to address, and there can be legislation  
12 like the FARE Act that seeks to address this public  
13 need. So, maybe bring that back to the Admin and  
14 future discussions.

15 FIRST DEPUTY COMMISSIONER TIGANI: Yes, sir.

16 COUNCILMEMBER OSSÉ: Thank you.

17 CHAIRPERSON MENIN: Okay, Councilmember Powers.

18 COUNCILMEMBER POWERS: Thank you. Nice to see  
19 you, Commissioner. Thank you Chair Menin and  
20 Councilmember Ossé for having this hearing today.

21 I found last term, when looking at the data, the  
22 actual difficulty is finding real data on this  
23 because they're a series of private transactions  
24 happening, and getting to the real data points--  
25 There are data points, I think, that the

2 Administration could look at, or even the Council  
3 could look at it, which is even just a prevalence of  
4 the fees.

5 I think my office looked at my district on  
6 StreetEasy found about 50% of the apartments listed  
7 on there (back then, I mean I could dig up the old  
8 data) were-- had a fee and 50% didn't. I don't know  
9 what those datapoints are now, but in fairness, it's  
10 extremely difficult to get data on this, which might  
11 be the reason, whether you believe in the fee or not  
12 believe in the fee, there still may be a need for  
13 some regulatory action here, because I think we are  
14 talking about a series of transactions with a lot of  
15 money involved, that I think there are serious  
16 concerns around how they impact tenants. And of  
17 course we're going to hear from brokers on their  
18 impact today.

19 But I think whatever it is, I think there's a  
20 need for information and regulatory action, and also  
21 the City be more involved in this, because I think  
22 there are-- A lot of the reason we're not getting  
23 data on 311 is because New Yorkers are not going to  
24 turn to the city, in my view, unless it's a really  
25 predatory action or something that takes place.

1           So, I think the reason we're here today is to  
2           have a conversation about the fees, but also about  
3           how we might be able to have more information in the  
4           future. So, I recognize the challenge faced here by  
5           the Administration, and you about exactly trying to  
6           get to the type of data that you would want to be  
7           able to provide today, which is, I think, a good  
8           reason for having this hearing.

9           I just wanted to go back to a couple things. I  
10          think this was mentioned earlier, but HPD units that  
11          are marketed do not have a broker fee on them.

12          FIRST DEPUTY COMMISSIONER TIGANI: HPD units that  
13          go through our finance and go through our regulatory  
14          agreement process do not have a broker fee. Any  
15          administrative fees that are connected to it would go  
16          through a management plan that we review and approve.

17          There's also no application fees as part of  
18          Housing Connect. There are certain housing types  
19          that may have costs or fees associated, like  
20          Mitchell-Lama, but those go through a review and also  
21          need to be approved if any move forward.

22          COUNCILMEMBER POWERS: And there's no fees  
23          because that's a-- that's a prohibition that has been  
24          put in place by HPD? Or because you are-- have some  
25

2 good. Roll over those units and you're choosing not  
3 to?

4 FIRST DEPUTY COMMISSIONER TIGANI: It's a  
5 different produced housing. Like the costs and the  
6 financing and the pre development process to go from  
7 no project to project involves public subsidies. So,  
8 there's already been certain investments made up  
9 front. When we're working with the private market  
10 and trying to connect people to housing using rental  
11 assistance, depending on the rental assistance source  
12 there may be-- there are broker fees sometimes  
13 involved, and those broker fees can be covered by  
14 different programs that we have. CityFHEPS has a  
15 broker fee voucher application eligible individuals  
16 may be able to apply to. When the federal government  
17 had the emergency housing voucher program, we had the  
18 ability to use broker payment vouchers as a way to  
19 create more opportunities for tenants. In fact, in  
20 that situation, brokers were integral into helping us  
21 navigate a low-vacancy environment and connect people  
22 to housing in a time limit where we had to connect  
23 many people with vouchers to housing while the  
24 opportunity existed. And there may be-- And there  
25 are sometimes opportunities for standard voucher

2 holders to get broker fee assistance through help  
3 with HRA if they eligible.

4 COUNCILMEMBER POWERS: Thanks. I think  
5 Councilmember Ossé asked this question. I just  
6 wanted to repeat it. Can you talk, as you're  
7 evaluating this legislation, what are the factors  
8 that you are considering? You guys don't have a  
9 stated position here today, and certainly a public  
10 hearing is a good opportunity to hear from everyone  
11 exactly on their sentiment. But can you talk more  
12 about what are the issues you are evaluating in the  
13 process of determining the Administration's position  
14 on it? Because I-- It's fairly vague here now, and I  
15 wanted to get a better understanding of what you guys  
16 are thinking about as you decide if this bill passes,  
17 whether to sign it, veto it, let it pass into law.

18 FIRST DEPUTY COMMISSIONER TIGANI: Sure. So, I  
19 think that there-- there are a number of fees and  
20 costs associated with housing, some of it regulated  
21 by the 2019 state law that we've talked about  
22 earlier, but particularly in non-regulated, non-rent-  
23 regulated housing, market housing as it's often  
24 referred to, costs can be pushed into other areas of  
25 the housing search and lease-up process. So, we're



2 trying to look at the different ways that that may  
3 happen, different permutations.

4       Additionally, we want to understand better the  
5 impact this may have on an industry that employs many  
6 New Yorkers here within the city. And those two  
7 factors, in itself, require a deeper analysis from  
8 multiple agencies, both in the housing front, housing  
9 supply, access, and economic development front, and  
10 workforce development front.

11       COUNCILMEMBER POWERS: Okay, thank you.

12       CHAIRPERSON MENIN: Okay. Thank you very much.  
13 So, I'm going to ask the Sergeant Of Arms to just--  
14 These are the questions that I asked at the top. So,  
15 we'd like to get answers by 5pm, so we can study  
16 them. So, Carl, do you mind passing that? Thank you  
17 so much.

18       And seeing no more questions, I want to thank you  
19 for testifying today, and we are now going to move on  
20 to the public comment period.

21       So, I'm now opening up the hearing for public  
22 testimony. I want to remind members of the public  
23 that this is a formal government proceeding and that  
24 decorum shall be observed at all times. As such,  
25 members of the public shall remain silent at all

2 times. Again, if you agree with the speaker, feel  
3 free to do this [MAKES JAZZ HANDS GESTURE], but  
4 otherwise people need to remain silent.

5 The witness table is reserved for people who wish  
6 to testify. No video recording or photography is  
7 allowed from the witness table. Further, members of  
8 the public may not present audio or video recordings  
9 as testimony, but they may submit transcripts of such  
10 recordings to the Sergeant at Arms for inclusion in  
11 the hearing record.

12 If you wish to speak at today's hearing, please  
13 fill out an appearance card with the Sergeant at Arms  
14 and wait to be recognized. When recognized, you will  
15 have two minutes to speak on today's topic, which is  
16 obviously Intro 360. If you have a written statement  
17 or additional written testimony you wish to submit  
18 for the record, please provide a copy of that  
19 testimony to the Sergeant at Arms. You may also e-  
20 mail written testimony to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov)  
21 within 72 hours of this hearing. Audio and video  
22 recordings will not be accepted.

23 So, I'm now going to call our first panel. So,  
24 our first panel is Brooklyn Borough President Antonio  
25 Reynoso. Borough President?

2           BOROUGH PRESIDENT REYNOSO: Good morning,  
3 Council. I'm grateful to be an entire panel. I just  
4 want to say, I apologize. It is embarrassing, and it  
5 is sad that there are many people here for or against  
6 this legislation that would love to really get to the  
7 bottom of data that supports the case that's being  
8 made by Councilmember Chi Ossé and his legislation.  
9 Instead, we're going to be relegated to having a  
10 conversation that we've already had in the public.  
11 We are wasting time. This is a literal waste of  
12 time.

13           From what I understand, I don't know if anybody  
14 from the Administration has even stayed to listen to  
15 the testimony of all these people that care deeply  
16 about this issue one way or another.

17           Another thing is putting Ahmed Tigani, who is  
18 arguably one of the hardest working and most lovable  
19 kind servants for the City of New York in front of  
20 us: It's not a mistake. That is not by-- by chance,  
21 that he's the one that's here. So, I just want to  
22 shout out Ahmed and the great work that he does. And  
23 this is obviously not a reflection of his work, but  
24 more a reflection of this Administration.

2 I guess I'll speak to my testimony, which, again,  
3 I want to say, really I'm not happy that I'm spending  
4 time here when I could have been doing other things  
5 in Brooklyn.

6 So, first, I am Antonio Reynoso, and I'm the  
7 President of the greatest borough in the City of New  
8 York, which is Brooklyn, New York, but I--

9 [BACKGROUND VOICES]

10 Amanda Farías, Councilmember, is arguably from  
11 one of the next-best boroughs in this city. But it's  
12 all love. We're from Brooklyn, so we always show  
13 love.

14 Good morning, Chair Menin. Thank you for holding  
15 this hearing today, and thank you to Councilmember  
16 Ossé for introducing this important and common-sense  
17 bill.

18 No one here, not even the landlords, needs to  
19 tell me that you-- that we are experiencing a housing  
20 crisis. But because we are not building enough, New  
21 York City's vacancy rate is the lowest it's been  
22 since 1968. Fewer apartments are available across  
23 all rent levels, meaning it's especially difficult  
24 right now for low- and moderate- income New Yorkers  
25 to find secure housing.

2 [BELL RINGS]

3 I guess-- There you go. Thank you so much for  
4 having me.

5 CHAIRPERSON MENIN: If you want to--

6 BOROUGH PRESIDENT REYNOSO: I don't want to  
7 continue.

8 CHAIRPERSON MENIN: I think there's some  
9 questions for you, so...

10 BOROUGH PRESIDENT REYNOSO: Questions I'll  
11 answer, but I just don't want to waste anybody else's  
12 time that's behind me, because you guys are going to  
13 be here a long time, and I want to make sure they get  
14 their time. But I'm more than happy to answer  
15 questions. Thank you Chair.

16 CHAIRPERSON MENIN: Thank you so much, Borough  
17 President, for being here, and I'm going to turn it  
18 going to turn it over to Councilmember Ossé, who has  
19 some questions for you.

20 COUNCILMEMBER OSSÉ: Thank you, Borough  
21 President. Has your office had any complaints from  
22 constituents about the broker fee or having been  
23 forced to pay a broker fee?

24 BOROUGH PRESIDENT REYNOSO: We-- We originally  
25 weren't receiving any information or gathering

2 information related to broker fees until your  
3 legislation came up. Then there was deep support  
4 that was coming in for my advocacy, for the FARE Act.

5 So, I want to say that I think your advocacy and  
6 the introduction of the legislation was the first  
7 time we started getting questions or requests for  
8 advocacy from Brooklynites for this legislation.

9 COUNCILMEMBER OSSÉ: Okay.

10 BOROUGH PRESIDENT REYNOSO: So, we don't-- we  
11 don't have the data, but are more than happy to pull  
12 it up from our constituent services, the amount of  
13 calls we've gotten to the concerns related to the--  
14 to the FARE Act.

15 COUNCILMEMBER OSSÉ: That would be really helpful  
16 if you can get that whenever you can.

17 BOROUGH PRESIDENT REYNOSO: Will do. Will do.

18 COUNCILMEMBER OSSEE: That would be very  
19 supportive. Thank you.

20 BOROUGH PRESIDENT REYNOSO: Thank you. And I  
21 just-- On a personal experience, I note,  
22 Councilmember, I paid \$7,500 to get into my apartment  
23 through a broker fee, and a first and second month's  
24 rent. I think I want to say in 2000-and-like-9. And  
25 it was very difficult for me to-- who is well-- well-

2 off. You know, middle class. Everyone knows my  
3 salary here. I knew my salary when I was a  
4 Councilmember. But when I was a Councilmember it was  
5 very difficult. And those challenges are real, and  
6 people that experience it, you know, paying \$5000  
7 versus \$7500 would have been a big difference to me  
8 and my family as we were growing, and I wasn't able  
9 to experience it. So, I'm not only here on a  
10 professional level, I'm here on a personal level as  
11 well.

12 COUNCILMEMBER OSSÉ: In that experience, did you  
13 go out to hire the broker?

14 BOROUGH PRESIDENT REYNOSO: No. I never saw the  
15 broker in my life.

16 COUNCILMEMBER OSSÉ: You never saw them?

17 BOROUGH PRESIDENT REYNOSO: Never saw the broker.  
18 I saw it online. I went to go visit the apartment,  
19 and it came with a first, second-- what was called  
20 the security-- a first month's security and broker  
21 fee. And I had to pay all three of them in one shot.

22 COUNCILMEMBER OSSÉ: \$7,500?

23 BOROUGH PRESIDENT REYNOSO: 7500 bucks. Yeah.

24 And I think that was in-- It was a long time ago.

25 It was in-- not in the apartment I am now, but in the

2 apartment I was in before. I'm still a tenant. I  
3 also had to pay for the broker fee for this house,  
4 which I found on my own as well.

5 COUNCILMEMBER OSSÉ: Twice.

6 BOROUGH PRESIDENT REYNOSO: So-- So, this is the  
7 second time, but this one was just the first month's  
8 and a broker fee for the new apartment. But the  
9 broker fee was something I had to pay both times.

10 COUNCILMEMBER OSSÉ: Thank you.

11 CHAIRPERSON MENIN: Thank you very much, Borough  
12 President, being here.

13 BOROUGH PRESIDENT REYNOSO: Thank you so much for  
14 this important hearing.

15 CHAIRPERSON MENIN: Thank you. I'm now going to  
16 call the first panel is going to be Gary Mallon, Bess  
17 Friedman, Brian Phillips, Ryan Monnel. And while  
18 they're coming up, just in the interest of time, I'm  
19 going to let the second panel, know, so they can  
20 start to get ready: Rob Solano, Andrea Joseph,  
21 Jeffrey Hannon, Annie Abreu, and Bradley Tusk on  
22 Zoom. Thank you. yyy

23 Okay. Okay, thank you. Please begin.

24 COUNCILMEMBER OSSÉ: Press the-- Press the mic.



2 MR. MALLON: Ah, thank you, ladies and gentlemen,  
3 here we find ourselves again discussing yet another  
4 broker fee bill. It is crucial that we all  
5 understand the law of unintended consequences. When  
6 people attempt to legislate an industry they do not  
7 know or understand, it inevitably leads to problems  
8 for everyone involved, and unfortunately, tenants  
9 will pay the price. We all support a more affordable  
10 New York. We all want the city to be a place where  
11 people can find affordable housing. However, this  
12 bill will not achieve that goal. We face a supply-  
13 and-demand issue until we address this, pricing will  
14 not change. The market will become less negotiable.  
15 Landlords have become more rigid in the fees they  
16 charge, and these fees will be baked into the cost of  
17 rent, pushing them even higher.

18 If we truly want to affect the cost of living in  
19 New York City, we need to address the lack of  
20 building in New York City. This legislation is not  
21 an attempt to find a meaningful solution. It is  
22 legislation for the simple sake of legislation. Look  
23 at the 2019 rent laws: Despite their goals, rents  
24 grew by 26% since the law was enacted. It's harder  
25 than ever to find an apartment. The bill will have

2 similar unintended consequences. We currently have  
3 an efficient, transparent, and fully negotiable  
4 rental market.

5 Enacting this bill will reduce all of those  
6 benefits on top of making everything more expensive.  
7 The services that agents provide are constantly  
8 devalued by this Council. Most agents work six to  
9 seven days a week, absorbing almost all of the risk  
10 in this industry. Every call they answer, every  
11 showing they book, does not guarantee a signed lease.  
12 Agents often spend their own time and money on  
13 clients who work with multiple brokers  
14 simultaneously.

15 Saying agents only open doors is far from the  
16 truth. If this fundamental change happens, there  
17 will be even less availability to view apartments.

18 Unlike agents, building owners don't work seven  
19 days a week. At the end of the day, tenants have a  
20 choice. They don't have to use a broker if they  
21 don't want to. 50% of the apartments available right  
22 now are no fee apartments. This disruption has the  
23 potential to hurt tenants and will ultimately cost  
24 them more money.

2 Along with REVNY and all residential firms, I  
3 actively oppose this bill. It will compromise market  
4 transparency, and in short, tenants will pay the  
5 price. Thank you.

6 CHAIRPERSON MENIN: Thank you. The next  
7 panelist-- Yes, thank you.

8 MS. FRIEDMAN: Good afternoon everyone--

9 COUNCILMEMBER OSSÉ: Turn on the mic.

10 CHAIRPERSON MENIN: You want to turn it on so the  
11 red light-- when you see the red light, it is on.

12 MS. FRIEDMAN: Gotcha. Thank you. Good  
13 afternoon. Bill Intro 360 threatens not only the  
14 livelihood of New York City Real Estate Agents, but  
15 also the financial welfare of the very tenants the  
16 bill seeks to protect. If passed, this bill will  
17 push brokerage fees onto landlords. Landlords, in  
18 response, will bake these fees into the monthly rent  
19 for the tenants to absorb, and will therefore  
20 increase their rents, not only the year they sign,  
21 but each year they choose to renew. Today, an  
22 upfront fee in writing is transparent and negotiable.  
23 This bill would make the fees hidden and progressive,  
24 predatory, and incredibly misleading. Hard working

2 agents who make zero dollars unless a deal gets done  
3 will also feel a major financial impact.

4 Despite reality TV shows the starting income for  
5 a New York City agent is \$52,000 a year. That's less  
6 than many politicians here today make, and let's not  
7 forget, many of these agents are renters themselves.

8 So, here are the facts, housing affordability  
9 will not be solved by this misguided and hollow  
10 legislation, and in fact will be made much worse.  
11 Simply put, this bill will make it harder for brokers  
12 to be fairly paid, raise housing costs, and limit  
13 housing access. The last thing New York City needs  
14 right now. Housing is expensive because there's not  
15 enough of it.

16 Less than 10,000 new multifamily units were  
17 proposed in New York City in 2023. A wide range of  
18 experts agree we need more than 500,000 new units to  
19 keep up with population growth by 2030. The lack of  
20 supply and increasing demand gets plenty-- gives  
21 plenty of runway for higher rents.

22 Brokers, as mentioned here earlier, are  
23 instrumental in helping incoming residents navigate  
24 the unique and complex rental market in New York.

25 [BELL RINGS]

2 Being a broker--

3 CHAIRPERSON MENIN: I'm just going to ask you to  
4 wrap up, please.

5 MS. FRIEDMAN: Yes, being a broker is an  
6 accessible career that welcomes immigrants, single  
7 mothers, people of color, and young people just  
8 starting out. So, along with making apartments more  
9 unaffordable, this bill is also making it harder for  
10 brokers to make ends meet and taking away people's  
11 livelihoods.

12 [BELL RINGS]

13 Finally, the current state of the market  
14 determines whether a broker fee is paid by an owner  
15 or a tenant, and whether the fee is one month's rent  
16 or 15%, all of which is negotiable to the benefit of  
17 renters. This bill would take that consumer choice  
18 away.

19 New Yorkers want to make decisions about their  
20 housing--

21 CHAIRPERSON MENIN: We just to-- every member of  
22 the public gets two minutes. So, really, I've got to  
23 ask you to wrap up.

24 MS. FRIEDMAN: Okay, well, here's-- I'll be  
25 closing sorry. If the City Council is a real partner

2 in solving our housing crisis, they must stop this  
3 legislation, and I hope that local lawmakers and the  
4 public fully understand what is at stake before  
5 considering Intro 360. New Yorkers simply cannot  
6 afford for rents to jump up at a time when so many  
7 are in need of quality housing.

8 CHAIRPERSON MENIN: Okay--

9 MS. FRIEDMAN: This bill will do the opposite of  
10 what it claims people--

11 CHAIRPERSON MENIN: Okay. We've got to wrap up.  
12 We--

13 MS. FRIEDMAN: --and the process will be far less  
14 transparent. Thank you.

15 CHAIRPERSON MENIN: Thank you. Can we hear from  
16 the next panelist? Please? Thank you.

17 MR. PHILLIPS: Good morning, Chair Menin and  
18 members of the Committee on Consumer and Worker  
19 Protection. My name is Brian Phillips. I'm an  
20 Associate Broker with Douglas Solomon Real Estate  
21 here in Manhattan, where I both live and earn a  
22 living. I actually live in Harlem, and some of my  
23 colleagues who live or work in Harlem are in the room  
24 with me today.

1 I'm a member of the New York State Association of  
2 Realtors, where I am the 2024 Chair of the New York  
3 City Issues Working Group, and I serve on the  
4 legislative steering committee at NYSAR. Many NYSAR  
5 members are here in attendance today. Additionally,  
6 I'm a member of the Real Estate Board of New York.

7 As a small landlord and a real estate agent, I  
8 specialize in rentals as a key part of my business.  
9 As a small landlord, I have faced significant  
10 financial pressures due to rising real estate taxes,  
11 homeowners, insurance and maintenance costs. These  
12 increases have forced me to increase rents, a  
13 situation shared by many of my landlord clients.  
14 This financial strain is further complicated by the  
15 proposed requirement for landlords to pay the  
16 brokerage fee when hiring agents on an exclusive  
17 basis. This requirement could lead to two likely  
18 outcomes: Landlords may either incorporate the  
19 broker fee into the rent, spreading it over the  
20 entirety of the lease. This would result in higher  
21 monthly rents and increased lease renewal rates,  
22 which are based on a last rented price.

23 Alternatively, landlords might opt not to hire  
24 agents on an exclusive basis. This means tenants  
25

2 would have to pay the brokerage fee, and listings  
3 would not appear on platforms like StreetEasy, which  
4 require exclusive listings.

5 In Manhattan, rental listings will not syndicate  
6 to Zillow unless they are first listed on StreetEasy.  
7 Consequently, available listings would become harder  
8 to find for renters. As agents and brokers, we cover  
9 the cost of professional photography, floor plan, and  
10 3d video tours, which can easily range from--

11 [BELL RINGS]

12 CHAIRPERSON MENIN: Okay, I'm going to ask you to  
13 wrap up please?

14 MR. PHILLIPS: Okay.

15 CHAIRPERSON MENIN: And you can submit-- Let me  
16 just be clear with every member of the public: We  
17 take the written testimony. So, please, if you don't  
18 get to finish your prepared statement. We take all  
19 of that written testimony.

20 MR. PHILLIPS: Right. I'll just finish this  
21 paragraph. All right?

22 CHAIRPERSON MENIN: Yeah. If we could please--  
23 We've got over 400 speakers. We've got to make sure  
24 that everyone is given the same amount of time.



1 Okay? Please. One more sentence, please, and then  
2 we really need to wrap it up.

3 MR. PHILLIPS: Right. The FARE Act, while well  
4 intended, well may have unintended, unintended  
5 consequences, reducing visibility of listings and  
6 ultimately harming tenants.

7 CHAIRPERSON MENIN: Thank you. Okay. And we'll  
8 hear from the next speaker. Thank you.

9 MR. MONELL: Well, thanks Chair and members of  
10 the committee. I'm Ryan Monell with REBNY. I'll try  
11 to make up for a lost time here and say, you know,  
12 you've heard a lot from-- from some of our leadership  
13 in in the industry. Look, I think we want to be part  
14 of the solution, right? We want to make sure that  
15 we're addressing the costs that we're seeing in  
16 regards to rentals across the city in a meaningful  
17 way. We actually believe this bill will go in the  
18 wrong direction, as you've heard from Bess and Gary  
19 and Brian, which is consequential not only for, you  
20 know, obviously, renters across the city, but also, I  
21 think for agents who-- it's going to make it more  
22 complicated for them to do the work they do every  
23 day.  
24

2 By the way, you know, we have 1500 agents who  
3 showed up today to make it loud and clear that this  
4 is not the solution relevant to-- to the rising cost.

5 And I think, you know, we should listen to some  
6 of the folks who are out there every day looking at  
7 the market, looking at the data, and really want to  
8 see costs go down. And we know that supply is really  
9 the main driver in regards to how we can solve for  
10 that. But we can't do things in the meantime that  
11 are going to make it even more complicated and more  
12 challenging, and actually eliminate choice in the  
13 market. And we believe this bill would do just that.

14 The last thing I'll say, as Bess mentioned, is,  
15 you know, most of these agents who are your  
16 constituents are renters themselves, and make \$52,000  
17 a year starting out.

18 And so, we're talking about eliminating the  
19 livelihood for folks who really, truly want to be  
20 stalwart members of their communities, do a service  
21 for their neighbors, and try to make a living for  
22 them and their families. And so, passing this  
23 legislation will undoubtedly have a consequential  
24 impact on their ability to earn, and we need to take  
25 that into account when we're considering this bill as

2 well. So, I'll stop there, but I appreciate all of  
3 your time today. Thank you.

4 CHAIRPERSON MENIN: Thank you very much. There  
5 are a number of questions that colleagues have for  
6 the panel, so let me just jump right into it.

7 No-- No, you're on the second panel, sir. I  
8 believe you. Yes. I called the second panel to say--  
9 - just to get ready. So-- No, no, that's okay.  
10 We're going to be coming to you next, but we've got  
11 an order to the panel, so we'll be coming to you  
12 shortly.

13 So, I'm going to open it up to Councilmember  
14 Ossé. Questions?

15 COUNCILMEMBER OSSÉ: I have no questions for this  
16 panel, thank you.

17 CHAIRPERSON MENIN: Okay. Public Advocate, you  
18 said you have questions?

19 PUBLIC ADVOCATE WILLIAMS: Thank you so much, and  
20 thank you all for being here. First, I just want to  
21 mention: Every time-- There is no part of the  
22 industry that seems to want to do their part to fix  
23 the crisis, and I get there are multiple reasons why  
24 we're in the housing crisis, whether we're not  
25 building enough, affordability, whether it's the rent

2 guidelines board. There's a whole bunch of things  
3 that are going, and every time we try to fix one part  
4 of it, that part of it says, "Don't fix that part of  
5 it." So it's a very difficult thing to do, and I  
6 think we need "all/and", and not just "or".

7 This is one place where I feel like it's a good  
8 balance, because we're not taking away the ability  
9 for people to make their money. And I know the  
10 average is \$52k I'm interested to know if that's the  
11 mean, median, or what kind of average it is. Because  
12 I know that people make considerably more than \$52k.  
13 As well as that there's a lot of working folks that  
14 do make the \$52.

15 So I want to clarify: The 2019 rent guidelines  
16 board, the rent laws were specifically to help  
17 preserve the housing that we have, and keep the  
18 tenants in it. And I think it was successful in  
19 doing that.

20 I had a question about other markets in other  
21 cities. It seems to me that we are only one of two  
22 major cities that do this. So, are you saying that  
23 the real estate industry is not successful in other  
24 cities because they have to pay who gets-- who hires  
25 them?

2 MR. MONELL: I mean, I would simply say that the  
3 size, scale, and intensity of New York City, co-ops,  
4 condos, and rental apartments, it's a completely  
5 different market than anywhere else in the country.

6 And once again, just like in any industry,  
7 tenants have a choice. There's either a full-service  
8 or no service, and when 50% of the market is already  
9 no fee, which means tenants have a choice to either  
10 represent themselves or hire a broker to make their  
11 lives easier, it's simply a free market that works,  
12 and this legislation will do nothing at all to reduce  
13 the cost that tenants face.

14 PUBLIC ADVOCATE WILLIAMS: Does that mean that  
15 the other cities that have this law, there is a  
16 thriving realtor market?

17 MR. MONELL: I can't speak to other cities. All  
18 I could say is this city's size, scale and density  
19 cannot be compared to any other city that I'm aware  
20 of with the complexity of the marketplace.

21 PUBLIC ADVOCATE WILLIAMS: Yeah, we also have the  
22 highest rents in, probably, the world and one of the  
23 lowest vacancy rates that we've ever had.

24 MR. MONELL: Because we don't build apartments  
25 anymore, because politicians don't understand that

2 developers take risks to build apartments that you  
3 don't want to incentivize them to do so.

4 [APPLAUSE]

5 CHAIRPERSON MENIN: Okay. [GAVEL] We need to  
6 maintain--

7 SERGEANT AT ARMS: Quiet down. Quiet down.

8 CHAIRPERSON MENIN: We have to maintain order in  
9 here. I'm going to be very clear--

10 [BACKGROUND VOICES]

11 You can-- As I said, if you agree, please feel  
12 free to do this, [MAKES JAZZ HANDS GESTURE] but we  
13 cannot have-- we've got to maintain decorum in here.  
14 Thank you so much.

15 [BACKGROUND VOICES]

16 PUBLIC ADVOCATE WILLIAMS: I will assure you,  
17 sir, having paid brokers fees, and having had tenants  
18 myself, and organizing around housing for about 20-  
19 something years, I know much more than you about why  
20 this housing market is the way it is, and why we're  
21 not building housing.

22 And so the profitability of housing is the major  
23 reason that we're having a housing crisis right now.  
24 So, we're trying to figure out how to manage that.

25

2 And frankly, I support building up, depending  
3 what we're building. So, to pretend that you have  
4 more knowledge than those of us on here about the  
5 housing market is not--

6 MR. MONELL: I mean, I respect--

7 PUBLIC ADVOCATE WILLIAMS: I'm not finished, is  
8 not really a real thing.

9 What we're trying to figure out here is how we  
10 can make sure the entry point into housing is  
11 balanced. And so that's why I'm asking about other  
12 markets, because what seems to happen is we're having  
13 discussion in a vacuum. And so if the City hasn't  
14 shown up, we're now just talking to ourselves, and I  
15 understand that you want to keep the system the way  
16 it is. Most people do, particularly if they're  
17 benefiting from it.

18 And what we're trying to do is find the balance.  
19 I want to make sure you get the money that you  
20 deserve for the work that you're doing. But it seems  
21 to me if someone else is hiring, which is the case in  
22 every other industry, the person who hires a person  
23 is the person that pays for it. And that's why I'm  
24 asking the questions, so we can have information  
25 about other cities.

2 MR. MONELL: Sir, just one thing. I've been in  
3 the industry for 26 years. I've overseen hundreds of  
4 thousands of lease transactions, so I think I have a  
5 little bit of experience in this business. That's  
6 just number one.

7 Number two, you talk about giving choice and you  
8 talk about saving tenants money. The simple fact is,  
9 look at the 2019 rent laws. If you have bad credit  
10 or no credit, you have to pay insurance to get an  
11 apartment now that you did not have to do before.  
12 You've taken choice away from tenants. If you have a  
13 pet, which many New York City residents do, you now  
14 have to pay extra rent each and every month for that  
15 pet because you've decided to take away choice from  
16 tenants.

17 Other markets are not relevant. What's relevant  
18 is this market, and the fact is there's no building  
19 going on. It's a law of supply and demand, and if  
20 you fix that, you will fix pricing. Until then, this  
21 is just an attack on the brokerage community that's  
22 unwarranted.

23 PUBLIC ADVOCATE WILLIAMS: : Thank you.

24 [BACKGROUND NOISE] I am finished.

25 SERGEANT AT ARMS: Quiet please.



2 PUBLIC ADVOCATE WILLIAMS: I will say, you spent  
3 26 years trying to figure out how to make money off  
4 of broker's fees. I spent over 20 years trying to  
5 figure out how to fix the housing crisis. It's a  
6 different system. It's a different study than what  
7 we're trying to figure out. So I'm glad that you  
8 made your money that way. I'm trying to figure out  
9 how we can fix the housing crisis. And what I'm  
10 telling you is I don't mind brokers making the money.  
11 I'm trying to figure out how best to do that, and how  
12 we can fix the crisis that we're in, because people  
13 like you want to make as much money as possible. And  
14 we're just trying to figure out how I can-- I hear  
15 you, but-- I'm listening to his testimony. But I am  
16 actually trying to figure out how people can make  
17 money, whether they're wealthy brokers or they're  
18 making \$50,000. I'm not trying to take away people's  
19 ability to make money. All we're trying to do is  
20 figure out how we can lessen the burden of tenants  
21 who are trying to enter into a housing market. That  
22 is a crisis because of a lot of things that have  
23 happened. The system is not working and has been not  
24 working for a very long time, not because of 2019  
25 laws. Thank you.

1           MS. FRIEDMAN:  But with-- with all due respect.  
2  
3       Since this Council and Councilmember Ossé is  
4       proposing this bill, this law, shouldn't you have  
5       this-- this substance to support why this makes sense  
6       financially?  Don't-- Shouldn't you have those data  
7       points to argue those today, if you think this makes  
8       sense?  Where--  Where's the information to support  
9       it?

10           PUBLIC ADVOCATE WILLIAMS:  So what-- We do have  
11       some.  The city's not here.  You should be mad at the  
12       Mayor and his administration for not being here.  But  
13       what we do know is the way that this thing works is  
14       very prohibitive.  When I had to pay \$12,000 to get  
15       into an apartment:  Praise God that I have the  
16       ability to do so.  Most people do not.  And so it is  
17       prohibitive in the market to pay this extra fee,  
18       which is ranging between 8% and 15%.  That's just a  
19       real thing.  So, we're just trying to figure out how  
20       to balance who pays it, not to take the money out of  
21       anybody's pocket.

22           MS. FRIEDMAN:  No, but sir, with all due respect,  
23       as quoted here, you can look online right now, 50--  
24       almost 50% of--

2 PUBLIC ADVOCATE WILLIAMS: I think I've taken a  
3 lot of time.

4 MS. FRIEDMAN: --units are no fee apartments.  
5 You don't-- Nobody's forced to-- This is all  
6 negotiable.

7 PUBLIC ADVOCATE WILLIAMS: That's just not-- So-  
8 - So one: Usually after "all due respect", no  
9 respect follows. But I appreciate what you're  
10 saying. But that is not how it happens in reality.  
11 And so I have-- When I was renting, I found no fee  
12 apartments. I've also been-- apartments brought to  
13 me that I didn't even know existed, that were better  
14 than apartments that I saw. And so that's a false  
15 choice, to be able to say that. Sometimes there's a  
16 choice on paper, but that's not how it works out in  
17 the reality of people finding apartments.

18 MR. MONELL: All I would like to say, if you  
19 actually cared about legislation that was impactful  
20 and effective, you would actually engage the  
21 brokerage community in the conversations versus  
22 dictating to it. Never once do you engage with the  
23 brokerage community or seek our opinions.

24 PUBLIC ADVOCATE WILLIAMS: That's what's  
25 happening now, by the way. There's a huge

2 engagement. You're right here, engaging with the  
3 council.

4 MR. MONELL: That's today. But not about before.

5 PUBLIC ADVOCATE WILLIAMS: Yeah, the bill hasn't  
6 passed. This is how bills get passed.

7 MR. MONELL: Well, you should speak to the  
8 community in advance.

9 COUNCILMEMBER OSSÉ: Can I respond? Brokers have  
10 actually worked on this bill. They'll be testifying  
11 right after this panel. So you'll-- you'll hear from  
12 them in this room. So, thank you. We've engaged the  
13 broker community.

14 MR. MONELL: I disagree.

15 CHAIRPERSON MENIN: Okay. And we've got two  
16 other Councilmembers who have questions,  
17 Councilmember Nurse, followed by Councilmember  
18 Hudson.

19 COUNCILMEMBER NURSE: Thank you, Chair. I'll try  
20 to be brief. You know, I think-- I think we're all  
21 saying that. No one is saying you shouldn't earn a  
22 living. We're just looking at who's paying for that.  
23 This is pretty simple. And I think you're conflating  
24 it intentionally. But I see a lot of signs about,  
25 "Don't raise the rent." And yet, I don't think I've

2 seen any of the brokers here-- and you know, feel  
3 free to raise your hand if you're wrong. In any  
4 housing movement actions, I've not seen you here at  
5 any-- when we're discussing any housing legislation  
6 that's going to impact or keep people's rents low.  
7 Like, feel free to raise your hand if you participate  
8 in the housing movement as a broker.

9 Yes, great. I'm glad that some of you do, but a  
10 lot of you don't. I didn't see any of you at the RGB  
11 rent guideline board meeting. Were you there? No.

12 Okay, so the fact is, we have a situation where  
13 there's people that we don't meet who are supposed to  
14 be doing work, and we have to pay for their labor  
15 that we did not contract. That's what this bill is  
16 about.

17 So, I guess I'm curious, for the record: Is  
18 there any requirement that a broker shows up to a  
19 viewing that they've scheduled?

20 MR. MONELL: Yeah. My brokers will show up at  
21 every appointment.

22 COUNCILMEMBER NURSE: Your brokers, but is there  
23 a requirement by law?

24 MR. MONELL: I can't tell you that's a  
25 requirement by law. I can tell you what our company

2 does and what our agents do, and you guys continually  
3 demean the service of what brokers do.

4 COUNCILMEMBER NURSE: Yours might be unique, but  
5 not all are.

6 MR. MONELL: You look at exceptions about worst  
7 case scenarios versus looking at the vast majority of  
8 brokers.

9 COUNCILMEMBER NURSE: The worst case scenario is  
10 generally what the rule is. That's why we're in a  
11 housing crisis.

12 MR. MONELL: I disagree with you. I disagree  
13 with you. We're in a housing crisis because there is  
14 no building.

15 COUNCILMEMBER NURSE: The worst case scenario is  
16 generally the most common experience.

17 MR. MONELL: That's not true.

18 COUNCILMEMBER NURSE: I have seen ads on the  
19 internet that don't say there's a broker fee, and  
20 then when you show up there is suddenly a broker fee.  
21 Suddenly the broker fee can move. There are bad  
22 actors here, which is why we are in this situation.

23 If you want to be solutions-oriented here, that  
24 is welcome. But then you have to acknowledge the  
25 fact that if I don't pay for your service, I

2 shouldn't-- If I'm not contracting you, I should not  
3 have to pay for your service. It is a very simple  
4 concept.

5 MR. MONELL: The very simple concept is every  
6 person signs a brokerage agreement in advance of  
7 seeing that apartment, which clearly sets forth what  
8 the broker fee is.

9 COUNCILMEMBER NURSE: That's not how it always  
10 goes down.

11 MR. MONELL: Once again, you're looking at the  
12 excep--

13 COUNCILMEMBER NURSE: Perhaps for you, and  
14 congratulations for having a great firm, but that  
15 does not happen for everyone.

16 MR. MONELL: I was talking, and you interrupted  
17 me. I didn't interrupt you. Well, that's your  
18 experience in a limited situation. I'm telling you  
19 what the law provides. You must sign a brokerage fee  
20 agreement clearly detailing what the costs are. You  
21 must sign disclosure agreements, fair housing  
22 agreements. There is tremendous amounts of  
23 legislation that currently exists, but everyone  
24 chooses to take the one-off situation and conflate  
25 it.

2 COUNCILMEMBER NURSE: It's not a one-off  
3 situation if there are hundreds of people here.

4 MR. MONELL: It's not the-- It's not the rule.

5 COUNCILMEMBER NURSE: It's not a one-off  
6 situation if we're at this point of needing  
7 regulation.

8 MR. MONELL: We need regulation because we need  
9 housing.

10 COUNCILMEMBER NURSE: Yes. I'll move on. Thank  
11 you.

12 CHAIRPERSON MENIN: Councilmember Hudson followed  
13 by Councilmember powers.

14 COUNCILMEMBER HUDSON: Thank you, Chair. I  
15 wanted to follow up. The Public Advocate asked a  
16 question that I had as well, but I didn't hear an  
17 answer. You mentioned in testimony that starting  
18 income is \$52,000 a year for a broker. Is that an  
19 average salary or the median?

20 MS. FRIEDMAN: It's not a salary. Agents are  
21 1099s. It's an average income-- I mean--

22 COUNCILMEMBER HUDSON: So it's the--

23 MS. FRIEDMAN: the starting. It's the starting.

24 COUNCILMEMBER HUDSON: It's the average starting.

25 MS. FRIEDMAN: Yes.



2 COUNCILMEMBER HUDSON: Okay, and so what  
3 percentage of annual income for brokers comes from  
4 broker fees for rentals?

5 MS. FRIEDMAN: I don't have that statistic.

6 COUNCILMEMBER HUDSON: Ryan or anybody?

7 MR. MONELL: We can try to get that for you. I  
8 think it varies. It probably fluctuates between  
9 agent to agent, quite honestly. So, it's a really  
10 difficult number to get, but we can get it. We can  
11 try to find some data that reflects that.

12 COUNCILMEMBER HUDSON: Okay. I think-- I think  
13 an average would be helpful for us to understand, you  
14 know, is it on average, 1 percent of an annual  
15 income, 90 percent?

16 MR. MONELL: In terms of the fee?

17 COUNCILMEMBER HUDSON: Yeah.

18 MR. MONELL: So I would say fees are probably  
19 larger than 1% of their annual income, because when  
20 you're talking about a-- an independent contractor  
21 who's predominantly earning off of commissions, which  
22 is a fee, then it's going to be a large-- a larger  
23 percent than 1% but, well, we can get you more  
24 information relevant to how most agents earn-- earn,

2 and number one, what their salaries are over time in  
3 their career, on average.

4 COUNCILMEMBER HUDSON: Yeah. I think it would be  
5 helpful to know what percentage of the annual salary,  
6 on average, that the brokers fees make up.

7 MR. MONELL: Yeah. I think, though, just like,  
8 you know, speaking more anecdotally, and we will get  
9 you this data-- you know, look, the reason that we  
10 have 1500 people here today from the brokerage  
11 community is the fact that this is actually going to  
12 have an impact, not only on their clients, who are  
13 renters, but also on their ability to earn, right?  
14 And so, we want to make sure that we're looking at  
15 legislation cohesively and in a way that makes-- that  
16 reflects that impact as well, which is significant.

17 COUNCILMEMBER HUDSON: Yeah. I think just to  
18 reiterate what my colleagues have said: Nobody here  
19 is saying that brokers shouldn't make a broker's fee.  
20 What we're simply saying is that if you hire the  
21 broker, whoever that is, whether it's the landlord or  
22 the tenant, if you hire the broker then you should  
23 pay for the broker's fee. If you don't hire the  
24 broker, you shouldn't pay for the broker's fee.

2 If I-- if I hire a plumber to come in and do  
3 plumbing work, I pay for the plumber. If my neighbor  
4 doesn't hire the plumber, or a tenant doesn't hire a  
5 plumber, I'm not asking them to pay for the plumber's  
6 work. I'm paying for the plumber's work because I  
7 asked the plumber to come in and do the work. I  
8 think it's-- it's basic-- I'm not going to go back  
9 and forth because--

10 MR. MONELL: Sure. Understood. We can talk  
11 further about it. Understood. But I do think--

12 COUNCILMEMBER HUDSON: --we are on a time  
13 schedule here and I want to get back to other topics.  
14 But I think having the average of-- of what the  
15 broker fee makes up in an annual salary would be  
16 helpful, and I'll leave it there.

17 MR. MONELL: Yup. Okay. I will just say very  
18 quickly-- I mean, it is certainly more nuanced, and  
19 I understand the basic premise in regards to it-- it  
20 seems fair to only pay what you're-- you're hiring  
21 someone to do. But the reality is, if this bill were  
22 to pass into-- into law, the fee is still going to be  
23 passed on to the renter. And the challenge is:  
24 Right now, despite what we have with the concerns in  
25 regards to supply, you do have a choice. You can

2 either pay a fee up front, or you can pay the fee as  
3 part of your rent over time.

4 And the reality is, you're eliminating that  
5 choice if this bill were to pass, making the  
6 assumption that folks don't want to have that ability  
7 to make the economic decision for themselves. So,  
8 it's a little bit more convoluted relevance than just  
9 saying, "Whoever hires a broker should pay the  
10 broker," and we're happy to discuss that more offline  
11 and I understand there's a lot of people who need to,  
12 need to testify, but I do want to make sure that  
13 premise is understood.

14 COUNCILMEMBER HUDSON: Yeah. And I think, as  
15 Councilmember Ossé mentioned, you will hear from your  
16 fellow brokers who are in support of the bill and who  
17 have a different opinion to provide.

18 Thank you, Chair.

19 CHAIRPERSON MENIN: Thank you very much. Now,  
20 Councilmember Powers.

21 COUNCILMEMBER POWERS: Thank you. You sort of  
22 got to it at the end. But the central premise of  
23 this entire hearing is: Why are tenants asked to pay  
24 in instances when they have not hired the broker to  
25 show them the apartment?

2 MR. MONELL: I think--

3 COUNCILMEMBER POWERS: And that's the premise of  
4 the hearing. And that central question is the one  
5 that we should be talking about throughout all this.  
6 Because I am happy all day to talk about how the  
7 Council and others need to do more on the housing  
8 front, and we need to find a balance between  
9 regulatory schemes, and adding supply, and all the  
10 stuff. But the central premise here today is: If a  
11 tenant is looking for an apartment, and you guys are  
12 saying 50% of the-- 50% of the rent-- I think that  
13 number is extremely high. I think it works against  
14 you. 50% of half the units in, certainly my district  
15 in Manhattan, midtown Manhattan and the Upper East  
16 Side, but the housing stock of New York City, we're  
17 saying 50% have an extra fee on them. In some cases,  
18 the Borough President mentioned \$7,500. That's a lot  
19 of money at once.

20 The central question is: Is that. And I  
21 appreciate Ryan's nuance and the premise of it.  
22 There are other factors that go into it. Where will  
23 that fee end up? Will they still engage brokers, the  
24 landlords, if they-- if we switch over the burden?  
25 But I think that's the question, and I would love to

2 hear a clear answer about if a landlord brings a  
3 person into the-- into the-- And we know why, right?  
4 They don't have to-- It's no overhead for them to  
5 bring that person into the equation, and it solves a  
6 problem for them. But if they have made the decision  
7 to bring somebody into a transaction, why is the  
8 other party, in this case, required to pay for that  
9 service that they have not brought into that  
10 equation?

11 And that's like the only question I think we  
12 really need to be asking today.

13 MR. MALLON: I mentioned earlier, as a small  
14 landlord, that I am facing increased insurance,  
15 property taxes, and maintenance costs, and I pass on  
16 those costs to the tenants, and many of my landlord  
17 clients do the same thing. I don't have the-- And  
18 I'm already coming out of money out-of-pocket to make  
19 mortgage payments on my investment properties.

20 I don't have it. Landlords don't have it.  
21 They're going to charge the tenant. They're going to  
22 amortize it over 12 months, and the tenant's going to  
23 pay that increase. And as mentioned earlier, on the  
24 lease renewal, the tenant is going to pay more

2 because that lease renewals based on the last rented  
3 price.

4 COUNCILMEMBER POWERS: I understand about  
5 mortgage, insurance. Those are like required fees  
6 that you have to pay. I don't think a tenant is  
7 necessarily going to not believe that wouldn't  
8 somehow end up in the cost of doing rent. The hiring  
9 the broker is an optional fee that the land--  
10 Obviously, we're saying 50% don't do it. So, there's  
11 50% who have decided out of that. So, when you make--  
12 - when you as a landlord, make that decision, that's  
13 making a decision that now has to be passed on to the  
14 tenant. It's not something that I think a tenant  
15 would reasonably believe. Because we know that,  
16 because we hear from tenants about this all the time,  
17 that they would suddenly have to pay this fee all at  
18 once by the way. I actually do think that a lot of  
19 tenants would prefer to pay that over the course of a  
20 few months than have to pay it all at once. It's a  
21 lot of money to pay all at once for a lot of folks  
22 and who can't afford it.

23 But I think, still, it's an option, and the  
24 landlord's exercising that option, but then turning  
25 to the tenant to pay for it. And I think why we are

2 discussing the loss of fees, I mean the loss of  
3 income is because there's a fear here that it's going  
4 to switch. So, the idea that it's all going to get  
5 baked in-- that they just going to stop using that  
6 service, and I just recognize that challenge. But  
7 the idea that it's all going to get baked into the  
8 rent undercuts that then.

9 But I guess I just want to go back to that  
10 question: Why, if I'm a tenant, and to the  
11 gentleman-- I'm sorry I don't remember your name-- in  
12 the middle: There is a-- There is a frequency, at  
13 least in my district, where tenants show up. They've  
14 never met the individual who's standing there to open  
15 the door. There are missed appointments, and you get  
16 nothing for that missed appointment. There are-- The  
17 challenge, you walk in, there's 15 other people  
18 waiting there to see that apartment too. It's like  
19 Hunger Games for an apartment. That certainly speaks  
20 to the supply need. No doubt about it.

21 But then when I get there, I'm in a race.  
22 Whether-- Is there negotiating power? Little.  
23 Because there's 15 other people standing there who  
24 will pay more than I will pay, or I what I will pay.

25 [BACKGROUND VOICE]



2 So, I don't know what he said.

3 But-- So I guess-- I guess we're just back to  
4 the same old question: I walk into an apartment.  
5 There's 10 people standing there. They all want that  
6 apartment. It's like first-come-first-serve. Who's  
7 going to sign that paper and get that apartment, or  
8 pay the fee just as they do the credit check, and see  
9 the apartment.

10 And now I have to be told that in order to get  
11 that apartment, I have to pay because the person that  
12 I didn't employ, I didn't hire, I didn't bring into  
13 interaction. That's the-- That's the cost of entry.

14 MR. MONELL: Well is that-- Is that a no fee  
15 rent--

16 COUNCILMEMBER POWERS: So-- Well, why? I want  
17 to know the question why--

18 MR. MONELL: I'll explain to you why. I'll  
19 explain to you why.

20 COUNCILMEMBER POWERS: And the last thing I'll  
21 say is other cities do have relevance here, because  
22 we are looking at other cities. I'm doing a  
23 scaffolding hearing in a few weeks. We're looking at  
24 every other city to look at Local Law 11 reform to  
25 see how we can do scaffolding, because other cities

2 aren't doing it the way we are. There's a lot to  
3 learn out there.

4 Our market's complex, but there's a lot to learn  
5 out there. So, I guess that's the question that I  
6 think we all talk about and answer today. And I'd  
7 like to hear from everybody is why is a tenant  
8 required to pay in a transaction?

9 MR. MONELL: I'll explain it to you. There's  
10 something called dual agency, okay? And if I'm  
11 engaged by an owner, that's one side of a  
12 transaction. You as a tenant found the ad that I put  
13 online. I spent money advertising and marketing it  
14 to bring you in. I'm negotiating on your behalf.  
15 I'm working with you to submit the application. I'm  
16 working on both sides of the transaction.

17 COUNCILMEMBER POWERS: And who's-- And who's  
18 paying the fee then? Is it both sides paying?

19 MR. MONELL: It depends. There are certain  
20 instances where the owner pays, and there's other  
21 insurances where the tenant pays.

22 COUNCILMEMBER POWERS: Sure.

23 MR. MONELL: So, it's not-- You guys make  
24 everything as a black and white situation. Our  
25 argument is in the middle.

2 COUNCILMEMBER POWERS: No, in fact-- No-- I'll  
3 tell you what. In fact-- In fact--

4 MR. MONELL: I was trying to-- You asked for an  
5 answer, but you're not listening.

6 COUNCILMEMBER POWERS: No, no. I'll tell you  
7 what's true. Last term, I introduced the bill, and I  
8 recognized dual agency. I said you could split the  
9 fee between the tenant and the broker, and 1500  
10 brokers showed up to City Hall and protested that,  
11 saying that I was taking money out of their pocket,  
12 okay?

13 MR. MONELL: You asked--

14 COUNCILMEMBER POWERS: You want to talk about  
15 dual agency? Let's talk about dual agency. I  
16 actually, in my bill reflected the reality that there  
17 is a service to the tenant provided when you post it,  
18 when I see it, when you show me that thing, and-- and  
19 I was told by every single broker-- I think you  
20 testified here too--

21 MR. MONELL: I did. And I'm testifying again.

22 COUNCILMEMBER POWERS: You did. I remember. And  
23 you told me I was stealing money from you guys, and  
24 putting you out of work and all the other things.

25 MR. MONELL: You are. You are.

2 COUNCILMEMBER POWERS: I actually tried to do it  
3 the way you're talking about.

4 MR. MONELL: No, you didn't, but that's okay.

5 COUNCILMEMBER POWERS: I did. I absolutely did.  
6 I tried to reflect--

7 MR. MONELL: You tried to limit the commission  
8 that agents should make. You asked the question. I  
9 was giving you an answer.

10 COUNCILMEMBER POWERS: Okay, well I--

11 MR. MONELL: You're not letting me finish my  
12 answer. You're interrupting.

13 COUNCILMEMBER POWERS: Okay. Go ahead. Go  
14 ahead.

15 MR. MONELL: So, the simple fact is, brokers do  
16 work on both sides of the transaction. There is not  
17 a black-and-white answer here. It's a nuanced  
18 situation, and every side benefits. The simple fact  
19 of the matter is this Council wants to remove  
20 negotiability from the tenant to do what is in his or  
21 her best interest and dictate how an industry works.

22 None of you work in the industry, so you  
23 shouldn't be legislating the industry, because you're  
24 going to have unintended consequences. And the 2019

2 rent laws are the specific problem that we face now.

3 I--

4 COUNCILMEMBER POWERS: I think-- I think the  
5 notion that a legislative body can't legislate a  
6 field that we don't work in is an absurd notion. I  
7 just want to be clear about that.

8 MR. MONELL: But mistakes happen.

9 COUNCILMEMBER POWERS: But I do want to recognize  
10 we are renters and tenants. We have constituents.  
11 We have people calling us with this problem, and  
12 we've-- I've walked into these situations. I know  
13 exactly what I'm talking about, too. I'm not saying  
14 my expertise is your expertise.

15 You're there. I respect your expertise, but that  
16 notion that we can't participate in regulating a  
17 field that we don't personally work in is, like the  
18 entire-- it's like-- it's a ridiculous notion.

19 MR. MONELL: We can agree to disagree.

20 MR. PHILLIPS: Councilmember, I'll just try to  
21 answer your question very quickly. But, you know,  
22 when you talk about the costs that it takes to  
23 actually list a unit, show a unit, run an  
24 application, do all the aspects relevant to make--  
25 taking photography for an apartment to be rented, you

2 know, there's a cost accrued there, right? And, you  
3 know, the reality is, an owner, by and large, is  
4 going to pass that cost on one way or another, like  
5 it or not, unfortunately.

6 And the reality is, I mean, if this bill were to  
7 pass, obviously, two things could happen: Number  
8 one, it gets baked into the rent because, you know,  
9 the fee can no longer effectively be passed on in  
10 certain situations. The second aspect (and this is  
11 probably more likely for stabilized units in  
12 particular, because obviously there's a cap in  
13 regards to how high rent can go) is the owner could  
14 basically say, I'm no longer going to hire an agent.  
15 I'm going to give a multitude of agents the right to  
16 list this unit, and then the fee could still be  
17 passed on in that regard. And so the reality is this  
18 is not going to do anything to actually alleviate  
19 that cost.

20 Relevant to other markets, you're absolutely  
21 right. I mean, obviously we should look at what  
22 other-- other cities are doing. I think the  
23 assumption that we are making is that other cities  
24 are more affordable. That necessarily is not the  
25 case, right? What we need to solve for is what will

2 actually reduce costs here in New York City. We are  
3 telling you, as an industry, I think, that this is  
4 not the way to do it.

5 MR. MALLON: I wanted to address your question.  
6 You mentioned you walked into situations where there  
7 was-- you assumed there was no fee, but there's  
8 suddenly a fee. Did you respond to a no-fee ad? If  
9 you responded to no fee ad...

10 COUNCILMEMBER POWERS: I think-- I think  
11 Councilmember Nurse brought up that situation. I  
12 didn't break up the situation. I think she talking  
13 about an--

14 MR. MALLON: [TO COUNCILMEMBER NURSE  
15 SPECIFICALLY] Was it a no-fee ad you responded to?  
16 Did you go--

17 COUNCILMEMBER POWERS: I think-- I think the  
18 point that she was making was that there are  
19 situations where a tenant has seen an advertised no-  
20 fee apartment, walked in, and had a fee.

21 Is there-- Well, actually, it's a good question:  
22 What is the recourse for the tenant in that  
23 situation?

24 MR. MALLON: Right. You go right to the listing  
25 agent. If the listing-- If it's a no fee rental,

2 you go right to the listing agent, the landlord's  
3 agent, and there's no fee. But if you elect to have  
4 your own representation, you're going to pay a fee.  
5 Everyone knows that. So, if you go right to the  
6 listing agent, the agent who has the listing, there's  
7 no broker fee.

8 COUNCILMEMBER POWERS: No, but I guess if I saw  
9 an advertisement online that said, "No fee  
10 apartment"--

11 MR. MALLON: You go right to the listing agent.

12 COUNCILMEMBER POWERS: And I went to the-- I  
13 showed up to the thing, and I-- the person says,  
14 there it's a 10% fee.

15 MR. MALLON: Then that's not the listing agent.

16 COUNCILMEMBER POWERS: Understood. But I think  
17 in this particular situation, most New Yorkers are  
18 not going to know how to navigate, and that's--

19 MR. MALLON: Anyone who deals with me-- Like, if  
20 I have a no-fee rental online, it's only-- most  
21 people come unrepresented. They get it.

22 MS. FRIEDMAN: That's why, with the agency  
23 disclosure form, it sort of identifies who's  
24 representing who in the equation, or if people waive  
25 the right to have representation.



2 COUNCILMEMBER POWERS: But if I walk into an  
3 apartment today and I-- there are, you know, three  
4 other people looking at this apartment too-- five,  
5 ten-- I mean, there's lines out the door sometimes.  
6 I walk in and am asked to sign a form, I still didn't  
7 bring you into the transaction.

8 It's like a Hunger Games moment, where I'm asked  
9 at that point in time to sign it in order to get the  
10 apartment I want. It's like a forced disclosure form  
11 to sign, to make sure that I can now get the  
12 apartment I want.

13 And in the market that we're in, you're right,  
14 like we're in a tight market, I am desperate to get  
15 an apartment, I want to be close to my job, my  
16 family, whatever it is, or I just like this  
17 apartment. I-- The competition for these apart-- at  
18 least in my district-- the competition for these  
19 apartments means, of course, I'm going to sign the  
20 form and I'm going to pay the fee, if-- if that's  
21 what gets me the apartment. Or at least I'm going to  
22 sign the form, because that gets me the apartment. I  
23 think that's a situation we're trying to solve for.

24 MR. PHILLIPS: Yeah, I--

2 COUNCILMEMBER POWERS: I'm not trying to-- I  
3 don't want to come off as disrespectful to anybody  
4 here, but I think that we-- there are situations that  
5 are real, where people are fighting for these  
6 apartments and asked to pay-- sign the form and pay  
7 the fee.

8 MR. PHILLIPS: Yeah.

9 COUNCILMEMBER POWERS: And it's 50% of the  
10 apartments in New York City. So, there's a problem.

11 MR. PHILLIPS: So, I would say-- I mean, two  
12 things to that very quickly, and I know we have to  
13 move on, Chair.

14 But first off, I mean, what you're describing, by  
15 and large, is a creation of the 1.6 vacancy that we  
16 have in the city, as you know.

17 The second aspect is, I think, you know,  
18 regarding the rights that you have as a prospective  
19 consumer, prospective renter, when working with an  
20 agent should be more clear. And I think it's  
21 something that we as a-- as an industry could get  
22 behind, relevant to making sure you know your rights  
23 when you're working with an agent, you know your  
24 rights when you're working with going to find an  
25 apartment. And there's a lot more that can be done

2 to make that more transparent. So, in regard to what  
3 we can do to actually solve for some of the issues  
4 you're seeing in your district, we should discuss  
5 that more, because I think there's some low hanging  
6 fruit relative to making the process even easier.

7 CHAIRPERSON MENIN: Okay, great. Now I'm going  
8 to turn it over to Councilmember Ossé before we call  
9 the next panel.

10 COUNCILMEMBER OSSÉ: Yeah, I just wanted to  
11 clarify that, you know, I-- The bill does not end  
12 broker fees, and I know that there was a lot of  
13 communications coming from REBNY about that, which is  
14 disinformation, but it says whoever hires a broker  
15 must pay.

16 I personally was happy to hire a broker when I  
17 was looking for an apartment. I believe that brokers  
18 add a valuable service to the city. So, even if this  
19 bill does pass, and it seems like, if it is a  
20 valuable service like we all agree, then people will  
21 still be hiring a broker, right?

22 That's how it works in every other industry, and  
23 how it should work in this industry as well. And the  
24 final point is, whether it's 90%, or 30%, or 50% of  
25 apartments that, you know, have a no fee apartment,

2 whether it's on StreetEasy or Zillow, that number  
3 should be zero in terms of those who are forced to  
4 pay broker fees. You know, that other percentage of  
5 apartments that are available, and that's  
6 unfortunately the case that we are seeing. Thank  
7 you.

8 CHAIRPERSON MENIN: Okay. Thank you very much to  
9 this panel. We are now going to move on. So, before  
10 we get to the panel that I mentioned was going to go,  
11 we-- I just want to mention we've been joined by  
12 Comptroller Brad Landers, State Senator Julia  
13 Salazar. So they are going to come up first.

14 [SERGEANT AT ARMS ISSUES INSTRUCTIONS TO  
15 AUDIENCE.]

16 CHAIRPERSON MENIN: Hello, Comptroller Lander,  
17 welcome.

18 COMPTROLLER LANDER: Good morning. Thank you so  
19 much, Chair Menin, and members of the Council's  
20 Committee on Consumer and Worker Protection, which I  
21 used to serve on and loved, and other members of The  
22 Council. Thank you for convening this important  
23 hearing and providing the opportunity to testify on  
24 critical legislation facing tenants across the city.  
25 I strongly support Intro 360, The Fairness In

2 Apartment Rental Expenses, or FARE Act, sponsored by  
3 Councilmember Ossé.

4 Intro 360 as you know, requires that whoever  
5 hires a broker in a real estate transaction pays the  
6 broker's fee.

7 The FARE Act is a common-sense bill that I urge  
8 the Council to pass for two main reasons,  
9 transparency and fairness. The FARE Act would  
10 require that fair, transparent contracts are  
11 negotiated between parties involved in renting  
12 apartments in New York City. Over two thirds of New  
13 York households are renters. Those households are  
14 disproportionately low-income compared to homeowners,  
15 and they deserve to know exactly how much it will  
16 cost to rent a new apartment. This bill, in many  
17 ways, will simply provide renters with the same fair  
18 treatment and transparency that are already provided  
19 to buyers in the home ownership market, making sure  
20 that all fees and costs are known to the renter at  
21 the outset of the transaction.

22 And it is also a common-sense element of fairness  
23 that the party that chooses the broker should pay the  
24 fee, where tenants hire a broker to help them find an  
25 appropriate unit. Of course, they should foot the

2 bill, but where landlords are the ones to identify  
3 and hire, they should pay the fee for the broker  
4 they've chosen.

5 And you were talking about this in the prior  
6 panel, but I think it just bears underlining:  
7 Landlords do bear a lot of costs, you know? They  
8 need to have insurance, and they need to hire a  
9 super, and they need to pay for a plumber to come fix  
10 the unit. None of those things can they go and give  
11 the bill to the tenant. That is what rent is.  
12 Tenants pay rent for services, and when landlords  
13 choose services to be provided to them, they pay.  
14 When tenants choose services to be provided to them,  
15 they pay. That's what this bill would do. It is  
16 plain and simple.

17 Look, it won't solve all of New York City's  
18 housing problems. We're in the tightest housing  
19 market in generations, lowest vacancy rate, highest  
20 rent burdens. I won't go into that. That's in my  
21 testimony.

22 But families are leaving the city as alarming  
23 rates as a result, and reducing the burden of hidden  
24 brokers fees on families trying to find a new home  
25 could potentially help to counter those trends. With

2 record high rents, an unexpected an often last-minute  
3 request or demand for a broker's fee can be the  
4 difference in a tenant's ability to afford a  
5 prospective apartment. And with an increasingly  
6 competitive housing market, this is an inefficiency  
7 that can and must be avoided.

8 I'm very grateful for the opportunity to testify,  
9 for you to have this important public hearing, and I  
10 urge the Council to pass the FARE Act.

11 Thank you so much.

12 CHAIRPERSON MENIN: Thank you, Comptroller. And  
13 now we will turn to State Senator Salazar.

14 SENATOR SALAZAR: Thank you, Chair Menin and  
15 members of the Committee, Councilmembers, for  
16 allowing me to testify today. I am Senator Julia  
17 Salazar. I represent communities in parts of  
18 Brooklyn and Queens in the New York State Senate.

19 I want to express my support for Councilmember  
20 Ossé's bill, the FARE Act, to ensure that prospective  
21 tenants in our city will no longer be forced to pay  
22 broker fees in cases where the tenant did not hire  
23 the broker.

24 The norm within New York's rental market of  
25 landlords passing brokers or agencies on to

2 residential tenants makes an already expensive and  
3 often burdensome process of securing housing in our  
4 city, even more cost prohibitive for many renters.

5 This practice is not the norm in most major  
6 cities in the US, as has already been mentioned.

7 However, in New York, the practice of landlords or  
8 brokers demanding the tenants pay the broker's fee is  
9 not new. In fact, the state legislature sought to  
10 address this problem through the Housing Stability  
11 And Tenant Protection Act, the HSTPA, an omnibus bill  
12 that I voted for, which became law in 2019.

13 The intent of the legislation was to strictly  
14 limit the fees that can be legally imposed on a  
15 tenant, and to end the practice of compelling tenants  
16 to pay additional fees, including brokers fees, as a  
17 precondition to obtain housing.

18 Unfortunately, after parties representing the  
19 real estate industry brought a lawsuit against the  
20 Department of State for seeking to enforce this law,  
21 a state court ruled against the Department of State's  
22 guidance in 2021 making the broker fee component of  
23 the HSTPA unenforceable. As a result, there is  
24 currently nothing preventing a landlord from  
25 demanding a tenant pay the commission or fee for an



2 agent that the tenant did not hire, and there is no  
3 legal limit to how much a landlord or broker can  
4 charge a tenant as a broker fee.

5 Due to this failure to restrict brokers' fees, a  
6 family or a tenant who could otherwise afford the  
7 upfront costs of renting an apartment often faces a  
8 wildly unaffordable broker fee, costing them  
9 thousands, or even in some cases, tens of thousands  
10 of dollars in order to move into an apartment.

11 When the broker works for the landlord, the  
12 broker should be paid by the landlord. Brokers often  
13 provide a valuable role in service to property owners  
14 and to prospective tenants. The purpose of this bill  
15 is not to negatively impact brokers or their  
16 livelihood, but simply to make it clear that the  
17 party who hires the broker is responsible for paying  
18 the broker, and they cannot stick another person with  
19 their bill.

20 In a city where hundreds of thousands of our  
21 neighbors are experiencing homelessness every day and  
22 countless more New Yorkers are struggling with  
23 housing insecurity, we cannot allow such an  
24 exploitative practice to persist, that makes it  
25

2 impossible for many working people to secure  
3 permanent housing.

4 For the sake of my constituents and the majority  
5 of New Yorkers who are renters, it is urgent that the  
6 City Council pass the FARE Act and protect tenants as  
7 consumers from this harmful and unjust practice.

8 Thank you.

9 CHAIRPERSON MENIN: Okay. Thank you both very  
10 much.

11 COUNCILMEMBER OSSÉ: Thank you.

12 CHAIRPERSON MENIN: Okay. Thank you both very  
13 much for your testimony.

14 We are now going to move on to the panel that I  
15 mentioned Rob Solano, Andrea Joseph, Jeffrey Hannon,  
16 Annie Abreu, Bradley Tusk on Zoom.

17 Just to expedite, I'm going to let the next panel  
18 know. That doesn't mean come to the desk, but just  
19 start to get ready. The panel after will be Melissa  
20 Gomez, Sarah Salzberg, Hal Govsie, and Douglas  
21 Wagner, thank you.

22 MR. HANNON: Okay. Sorry about that.

23 CHAIRPERSON MENIN: Okay, no problem. Please go  
24 ahead.

25 MR. HANNON: I'd like to thank--

2 COUNCILMEMBER OSSÉ: You've got to turn your mic  
3 on.

4 CHAIRPERSON MENIN: Turn your mic on.

5 MR. HANNON: I turned it off. Sorry about that.  
6 I'd like to thank you the committee Chairperson. I'd  
7 like to thank Chi for pushing this bill, listening to  
8 brokers, tweaking the bill from the earlier bill.

9 My name is Jeffrey Hannon. I'm a real estate  
10 broker. I own my own brokerage. I'm a one-man shop.  
11 I'm independent. I started my brokerage in early  
12 2020, before COVID, after leaving Douglas Elliman.

13 I'm here today because-- Not so much that I work  
14 in rentals so much anymore. I've been doing this  
15 since 2012. I was one of these rental brokers who  
16 gets told, "You know you're going to be the next  
17 Frederick Eklund, and you're going to have your  
18 million-dollar listings." And the reality is, I  
19 moved here. I was working a serving job in Midtown.  
20 I had \$5,000 in the bank, and I closed one deal that,  
21 like, a cousin of a cousin had, and I thought I was  
22 going to-- you know, this was it. I quit my serving  
23 job. And then September came. I made no money. It  
24 slowed down. This was back in 2012. I've always  
25 hated having to collect a broker's fee from my

2 tenant. There are OPs that everyone talks about.  
3 There's 50%, our Ops. You know, I don't know where  
4 they get this data. StreetEasy? Because StreetEasy  
5 is not reliable. We don't have an MLS in this city.  
6 It's one of the only ones also that doesn't have a  
7 Multiple Listing Service where brokers can look and  
8 get all the listings. A private company had to  
9 create this, and now it's owned by like the Zillow,  
10 Trulia, Naked Apartments, whatever.

11 I take issue and nothing personal against Bess.  
12 She was lovely. I met her outside. But when was the  
13 last time she's represented a tenant under \$5,000  
14 around this city and made--

15 [BELL RINGS]

16 I'm just going to ask you to wrap up again.  
17 Everyone has two minutes. So once the two minute  
18 bell, everyone needs to wrap up.

19 MR. HANNON: Basically, REBNY does not represent  
20 agents. They represent corporate landlords, and  
21 they're lying to their agents.

22 CHAIRPERSON MENIN: Okay. Time is up. Next  
23 speaker. Thank you.

24 MR. SOLANO: Good morning. My name is Rob  
25 Solano. I am the co-founder and Executive Director

2 of Churches United for Fair Housing. We have over  
3 25,000 members to our 40-plus church partners  
4 providing affordable housing service in Brooklyn,  
5 Queens, and recently in the Bronx. I am here today  
6 on behalf of hundreds of thousands of tenants we  
7 represent throughout New York City to support the  
8 FARE Act.

9 The FARE Act is simple and clear, making it one  
10 of the easiest bills we have ever had to explain to  
11 our members and faith leaders. If you hire someone,  
12 you pay for their services. This bill doesn't stop  
13 brokers from getting paid. It just ensures that the  
14 cost is covered by the party who hired them.

15 Right now, landlords can force tenants to pay for  
16 brokers they didn't choose or vet, and cannot hold  
17 them accountable. We have heard many, many, many  
18 hundreds of stories of tenants who would charge a  
19 month's rent just to receive a lockbox code from the  
20 broker. Moving is already expensive with moving  
21 related fees, first month's rent, and a deposit. It  
22 can take months to get your deposit back from your  
23 current apartment, making saving up to moving nearly  
24 impossible.

2 Adding a broker fee on top of that creates a huge  
3 barrier, especially for low-income tenants that are  
4 using CityFHEPS vouchers, Section 8 or HASA. I would  
5 love to see brokers who raise their hand that work  
6 with those tenants. On HRA, only pay half their  
7 usual broker fees. We've only seen landlords use  
8 broker fees to exploit tenants. For example, right  
9 now, there's a listing in the Bronx for an  
10 affordable, rent stabilized apartment, and it comes  
11 with a broker fee, a \$10,000 broker fee to the  
12 tenant.

13 I urge you to support the FARE Act. Your backing  
14 will help create a fair housing system in New York  
15 City. Thank you.

16 CHAIRPERSON MENIN: Thank you. Next speaker.

17 MS. JOSEPH: Is this on?

18 CHAIRPERSON MENIN: If the red light is on, it's  
19 on.

20 MS. JOSEPH: Okay. Thank you.

21 Good morning, Councilmembers. My name is Andrea  
22 Joseph. I am a postdoctoral researcher at Mount  
23 Sinai and the president of United Auto Workers Local  
24 4100. Today, I have the pleasure of speaking not  
25 only on behalf of my members in 4100, but all our New

2 York City members in Region 9A. We represent workers  
3 in nonprofits, arts museums, higher education, movie  
4 theaters, car dealerships, sciences, and more. The  
5 vast majority of our membership are renters.

6 We have a housing and affordability crisis in our  
7 city. Our members work hard. We fight at the  
8 bargaining table for everything we get. I know this  
9 firsthand because my shop at Mount Sinai went on  
10 strike for our first contract last winter. In our  
11 strike, we won nation leading wages for postdocs. We  
12 are proud of that, but I am equally proud that we  
13 stayed on strike to win housing guarantees for our  
14 members.

15 The reason we did this is because we are a  
16 majority immigrant workforce. We knew that if we  
17 didn't fight for it at the bargaining table, our  
18 members would be subject to the open market, and they  
19 would be vulnerable to exploitation by broker fees.

20 In our strike, we were also fighting for  
21 childcare and to keep women in the workforce. I've  
22 heard from members across our region that they are  
23 deciding to move out of the city or leave a job they  
24 love because they cannot afford an apartment with  
25

2 space for their families and the broker fee that goes  
3 along with that.

4 One example I heard of this was from a leader in  
5 our union with an 18-month-old daughter who wanted to  
6 move within his rent-stabilized building to a newly  
7 vacant larger apartment one floor down. When he  
8 asked about moving into the other apartment, the  
9 landlord tried to charge him a broker fee by  
10 connecting him with his preferred broker instead of  
11 letting him transfer. This was someone already  
12 paying a monthly rent to this exact landlord. That  
13 worker is now moving out of the building, moving  
14 further from his daughter's school, friends, and  
15 family because they needed more space.

16 [BELL RINGS]

17 At the bargaining table, UAW fights for workers  
18 to get our fair share, but we also stand for the  
19 entire working class, because not everyone is in the  
20 union. We fundamentally support Councilmember  
21 Ossé's--

22 CHAIRPERSON MENIN: Okay, I'm going to ask you to  
23 wrap it up, please. Thank you.

24 MS. JOSEPH: That's it.

25 CHAIRPERSON MENIN: Great.



2 MS. ABREU: Is it on? Okay? Hello. My name is  
3 Annie Abreu. I'm from Sunset Park in Brooklyn. I  
4 just graduated law school, so I'm actually taking a  
5 break from studying for the bar to come testify and  
6 convince everybody that doesn't need to be convinced.  
7 Me and my mother are low income, so I faced housing  
8 insecurity basically most of my life, but it's been  
9 worse within the last 11 years, especially as the  
10 housing crisis has worsened.

11 For the past three years, we have lived in a very  
12 insecure living situation where the threat of  
13 eviction basically hangs over our head every single  
14 day. And among other things, we can't really do  
15 anything, because it's not a situation where the law  
16 really protects us. But my need for housing has  
17 increased. We desperately would like to move, and as  
18 I step into my new employment as a housing attorney,  
19 in September adequate housing is going to be  
20 essential for that transition.

21 We've had two main obstacles when it comes to  
22 being able to move freely within our neighborhood.  
23 The first is income requirements. Because we are low  
24 income, we don't really make the 40-times-the-rent  
25 requirement that a lot of landlords set.

2       However, even as I'm about to enter into a new  
3 income bracket and finally meet that income  
4 requirement, I'm faced with another obstacle, which  
5 is the broker's fee.

6       It would be impossible for us to leave our  
7 current insecure living situation and find an  
8 apartment in my neighborhood as soon as I start  
9 working, because having to pay three fees in one go  
10 is basically impossible. That means that me and my  
11 mother would have to save money for at least six to  
12 eight months before we even have enough money to just  
13 pay the landlord. So, that doesn't even cover moving  
14 expenses. It's literally just money going to a  
15 single person, and they're going to use a portion of  
16 that to pay the person they hired, not that I hired.

17       I'm fine paying one month's rent and security  
18 deposit. But given that our current expenses won't  
19 just disappear to give me and my mother the ability  
20 to save all of that money, it is much more feasible  
21 for us to save \$4,600 for a two bedroom that's going  
22 for like \$2,300 in my neighborhood, than it would be  
23 for us to save \$6,900.

24       While me and my mother would love to save every  
25 paycheck that comes our way, it's impossible. Living

2 in New York City basically means that you pay to  
3 breathe at this point. I do not think that there's  
4 any reason for me to pay one month's rent or more to  
5 a person the landlord hired to post something on  
6 StreetEasy, or Zillow, or God-knows-where, riddled  
7 with typos and lies only for me to get the apartment  
8 on my own and not get any response and not get any  
9 responses to my basic questions.

10 CHAIRPERSON MENIN: Thank you. And we have one  
11 more speaker on this panel. We have Bradley Tusk on  
12 Zoom.

13 MR. TUSK: Thank you so much. Since you guys  
14 have a lot of people we testify, I'm going to be  
15 really brief and skip my prepared remarks. I just  
16 want to make the case that from an economic  
17 standpoint, this bill is excellent for New York City.  
18 Everyone here has approached it from more of an  
19 affordability standpoint. That makes a lot of sense.  
20 But one of the things that makes New York New York,  
21 is that the best and the brightest people from all  
22 over the world, every continent, every part of the  
23 globe, want to come here, and they come here, and  
24 they do great things. They start businesses. They  
25 start organizations, they create great ideas. They

2 create great art. And that's what allows so much  
3 more opportunity to happen for so many other New  
4 Yorkers. But we are preventing their ability to do  
5 that, and to move here by charging that, the sort of  
6 artificial barrier, this totally unnecessary fee.

7 And so unless we want a city where all we have  
8 are people can afford the broker's fee, like the  
9 consultants, and investment bankers, and things like  
10 that, and who would want a city like that? It's  
11 totally boring.

12 You know, we're losing a lot of talent to Austin,  
13 to Nashville, to Miami, to so many other places, that  
14 we don't have to. So from a long-term perspective,  
15 from the city creating jobs, creating wealth,  
16 creating more taxpayers, the best thing we can do is  
17 pass the FARE Act. Thank you.

18 CHAIRPERSON MENIN: Thank you. So, I think  
19 Councilmember Ossé has questions for this panel.

20 COUNCILMEMBER OSSÉ: Uh, I have a question for  
21 everyone on this panel, but I'll start with Mr.  
22 Hannon. As a broker, why do you support the FARE  
23 Act, and is it important that the FARE Act passes?

24 MR. HANNON: I'm not a very good public speaker.  
25 I'm sorry. I support the FARE Act, because if my co-

2 op clients, my condo owner clients, can afford to pay  
3 a one-month fee than a landlord that has 700  
4 buildings, these huge corporate landlords, can pay  
5 the fee. In fact, they already do. All of us here,  
6 we always have to explain to our clients, "Oh, the  
7 no-fee versus the fee, the no-fee apartment it's  
8 built in, they offer two months free." Net effective  
9 is the new thing. They rent those at lower-- It's  
10 just so-- There's no transparency, and the \$50,000--  
11 It's just like, people are on food stamps or on  
12 Medicaid, and like, I'd love to know how many of them  
13 are in that level, like the working class, the  
14 immigrants, the ones just starting off.

15 I'm in favor of it because I have nothing to  
16 lose. I don't care. I don't need to work in this  
17 business anymore. But I will fight for those who are  
18 younger than me.

19 [BACKGROUND VOICES]

20 [GAVEL]

21 COUNCILMEMBER OSSÉ: Thank you. I have a  
22 question for Rob Solano. From your organizing work  
23 across the city, how many New Yorkers hire brokers?

24 MR. SOLANO: We've been doing this since 2009.  
25 One of our workshops had over 2000 New Yorkers come

2 to apply for housing. And I would say-- I would say,  
3 none wanted to hire a broker to pay a fee for them,  
4 for ultimately something that they can find on  
5 Zillow, or StreetEasy, or word of mouth to folks.  
6 And most of them-- and this was going back from their  
7 own experience-- the broker would pay the fee if they  
8 were buying the apartment, or if they were buying a  
9 condo. They're mental already is established that  
10 broker fees are paid by the landlord.

11 And I just wanted to make-- about broker fees:  
12 HPD already does follow the FARE Act in their  
13 marketing guideline on page 67, Attachment S1. They  
14 have embedded the FARE Act where the broker fee is  
15 done by the developer. And I have a lot of respect  
16 for the HPD rep, uh, that came. They could have gave  
17 you the data, since they've been building housing  
18 since 1975 at HPD. They could have came to told you  
19 what the broker fees are, and they would have told  
20 you that they do it through the FARE Act. They put  
21 it on the developer, and why the market in HPD has  
22 been incredibly successful for over four decades.  
23 HPD has been working with the FARE Act and been  
24 implementing the broker fee to the developer in all  
25 of their projects, not just the Mitchell Lama throw

2 that he gave you. It's been embedded in their  
3 marketing system for four decades.

4 COUNCILMEMBER OSSÉ: And the previous panel of  
5 brokers stated that the current system is  
6 transparent. They were implying that prospective  
7 tenants are going into these deals with the full  
8 knowledge that they need to pay the broker fee. Do  
9 you feel that the bargaining and negotiating process  
10 for tenants is fair under the current system?

11 MR. SOLANO: Absolutely not, because we also work  
12 with the developers that do some-- take on the  
13 brokers, and they sometimes put it on the tenants on  
14 our affordable housing marketing team. And I would  
15 say to-- the marketing team is relatively brokers.  
16 You can just call their marketing team a marketing  
17 agent. I would say no one has any idea of what's  
18 happening as a tenant in the experience. They get  
19 their first month, they get their last month, they  
20 get their security. They try to get this thing  
21 going. Then they get reminded they don't have to pay  
22 last month anymore.

23 Very, very common, the broker fee is a gotcha at  
24 the end that is reminded and hustled by the broker.  
25 I do want to establish why I think there's a lot of

2 energy-- why the why the brokers want to go one on  
3 one with tenants and not landlords. Landlords have  
4 lawyers, landlords have staff, landlords have  
5 resources and other real estate apartments to hustle  
6 with that broker.

7 So, it's much easier for a broker to go one-on-  
8 one with a single mom. It's much easier for a broker  
9 to go one on one with someone that doesn't have a lot  
10 of resources and won't sue them. And also a broker  
11 can then ruin their credit if that specific tenant,  
12 for some reason, they didn't feel like the services  
13 was done well, and decided not to pay the broker fee,  
14 that broker could turn around, write a report, and  
15 give that person a bad credit.

16 So, there is a lot of strategy, why big broker  
17 firms here today would rather handle everyday New  
18 Yorkers, and why I'm appreciative of the government  
19 here today taking a step forward to support the  
20 tenants and everyday New Yorkers. Let them deal with  
21 the landlords as they usually do.

22 CHAIRPERSON MENIN: Thank you for that. And I  
23 have a question for Ms. Joseph from the United Auto  
24 Workers--

25 [BACKGROUND VOICES]



1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 121

2 COUNCILMEMBER OSSÉ: [TO CHAIR, GESTURING:] She  
3 was yelling liar. The woman in the blue over there.

4 [GAVEL]

5 CHAIRPERSON MENIN: Let me be clear: Whether  
6 you're for this, against it, the rules are very  
7 clear. We will call you out of order, and the  
8 Sergeant Of Arms will remove anyone who is  
9 disruptive. Okay? I just want to make sure everyone  
10 understands the rules that we follow here in the  
11 Council. So if people will continue to be  
12 disruptive, they will be removed.

13 COUNCILMEMBER OSSÉ: I do have a question for  
14 Ms.-- Thank you, Chair Menin. I do have a question  
15 for Ms. Joseph from the United Auto Workers Union:  
16 Why is broker fee reform important for unionized  
17 workers?

18 MS. JOSEPH: Sure. As I mentioned in local 4100,  
19 and in my shop at Mount Sinai, 80% of our workers are  
20 international workers. 60% of postdocs at Columbia  
21 are international workers. Many of us are parents,  
22 have children.

23 Affordability is an issue that affects workers  
24 and especially UAW members across the region. It's--  
25 You know us postdoc researchers are coming to New

2 York City to contribute to science. You know, study  
3 cures for cancer, study neurodegenerative diseases.  
4 We're relocating. We're moving to-- We're moving to  
5 a new country. We have many-- The moving costs are  
6 exceedingly high. And you know, as the speakers  
7 before me mentioned, being forced to pay first  
8 month's rent, last month's rent, security deposit,  
9 and, you know, broker fee on top of that is, you  
10 know, makes it impossible for our workers to upgrade  
11 apartments when our families grow, or when our needs  
12 change. So, it's really important to workers in our  
13 union and all the working class people in the city.

14 COUNCILMEMBER OSSÉ: Thank you. And my last  
15 question is for Miss Abreu. How has the broker fee  
16 impacted your ability to find housing for you and  
17 your mother, as you testified? How is the broker fee  
18 considered an obstacle to find affordable housing for  
19 working class families?

20 MS. ABREU: So actually, I was thinking about it  
21 when you asked. I can't remember who, but when you  
22 asked about the bargaining process.

23 And for me, I remember, about, like 2014 I was in  
24 high school, but we were trying to move, so I was  
25 like, looking for a place for us, like, as a

2 teenager. And we were so desperate at the time that  
3 that fee came up, and I was so confused. I was  
4 always used to hearing about security deposit, one  
5 month's rent. And I was like, "Oh. Well. Okay. I  
6 guess we're desperate, so we'll pay it," but the  
7 income requirement was the main obstacle then. But  
8 that was when rent was \$1,400. Now rent for a two-  
9 bedroom, or even a one-bedroom, is like over \$2,000.  
10 I was passively searching on StreetEasy the other  
11 day. I found like 32 apartments that were listed.  
12 Only two of those didn't have a fee. One of them  
13 that didn't have a fee was a two-bedroom apartment  
14 that was going for \$3,200. Why would I go for that  
15 option when there is a two-bedroom apartment that's  
16 available for \$2,000? But then the problem with that  
17 one is that there is a broker's fee. So I would have  
18 to save \$6,000 to be able to actually access that  
19 apartment. So, for me, that means that if I want to  
20 move within New York City, I can't move freely. I  
21 have to save for six to eight months, like I  
22 mentioned before. I have to keep myself in an  
23 insecure living situation, keep myself in an  
24 uncomfortable living situation, keep myself in an

2 inadequate living situation until I have enough money  
3 to pay somebody that I did not hire to move.

4 COUNCILMEMBER OSSÉ: And I'm not sure if you  
5 remember, in your search, but when you found those  
6 two no-fee apartments, do you recall if they were  
7 luxury buildings, or pre-war buildings?

8 MS. JOSEPH: No, they were-- they were like  
9 regular buildings in the neighborhood, like, that you  
10 would find, you would look in like one of the regular  
11 apartments that are like in the corner. You know,  
12 something I see every single day. There's not really  
13 that many luxury apartments in-- in Sunset Park,  
14 specifically. And something that I keep like  
15 laughing at when people talk about the fact that  
16 there are not develop-- enough developments going on  
17 in New York City. There are so many affordable  
18 housing lottery apartments being built all throughout  
19 the five boroughs. But the problem with that is that  
20 there's like, income requirements for that, so  
21 they're not accessible either. So, there are  
22 apartments. So, I don't know where that-- that's  
23 coming from.

24 And I also don't know where the number, like, the  
25 50% of apartments that don't have brokers fees coming

2 from. Because again, in my search, I only found two  
3 that did not have a broker's fee. And usually when  
4 they don't have a broker's fee, it means that they're  
5 going to be more expensive in rent because they're  
6 trying to, like, fit that fee in somewhere else.

7 [BACKGROUND VOICES]

8 That's not in support of y'all.

9 [GAVEL]

10 MR. SOLANO: Councilmember, if I may add to your-  
11 - Councilmember Ossé, if I can also try to answer  
12 your question. If you look at The Williamsburg  
13 market today, most of the development sites do not  
14 hire brokers. They-- If the brokers were so sought  
15 after, and this was an incredible service, why aren't  
16 these high in high-income markets that charges \$4,000  
17 to \$5,000 for two bedrooms going after the brokers to  
18 market their apartments? There is an incredible  
19 balance in the Williamsburg market right now.  
20 There's incredible data on it that all the waterfront  
21 units are being done on their own, with their own  
22 team, without charging a tenant the broker fee.

23 So, there is a level of the high-income community  
24 that does not have to pay the broker fee. They get  
25 net effective rent. They get no fee. They get

2 swimming pool access. They get amenities on top of  
3 it. They sometimes get a television from their deal.  
4 But when it comes to the lower income side of the  
5 family, we don't get the TV, we don't get the one  
6 month off, and we have to pay a broker, a broker fee  
7 for an apartment that should be being paid a broker  
8 fee by the landlord.

9 So, there is a substantial amount of market rate  
10 units in the system that is not using the service, a  
11 lot of the people here in the room that call  
12 themselves brokers. They've-- The whole entire high  
13 income level renters have shifted over to handle  
14 their own team and not charged broker fee.

15 So, the market is responding. The market is  
16 saying, "Broker fee should either be handled by the  
17 landlords, or we shouldn't be charging it at all,"  
18 and that's coming from the high incomes.

19 So, what we should be doing is establishing,  
20 getting the data from that, and understanding that if  
21 that's working for the higher market, could be  
22 working for the lower market as well.

23 MS. JOSEPH: I want to also reference the fact  
24 that they all cheered for that, but that's-- the fact  
25 that landlords find sneaky ways to do things is their

2 fault as well. They are their partnership. It's a  
3 predatory partnership. They're going to feed each  
4 other some way or another. It's not because  
5 landlords are just going to do it to do it. It's a  
6 partnership.

7 CHAIRPERSON MENIN: We've also been joined by  
8 Councilmember Krishnan, and I'm going to turn it over  
9 to Councilmember Nurse for a question.

10 COUNCILMEMBER NURSE: Thank you, Chair. One of  
11 the things that was said this morning at a rally was  
12 about the upfront costs, cobbling together the  
13 upfront costs versus a little bit more in rent  
14 monthly. And I think it really speaks to the cash  
15 flow issue that we're-- that really is the problem  
16 with most with most household budgets. They don't  
17 have the cash flow. They have very little savings.  
18 If anything goes wrong, if they get hurt at work, if  
19 something happens, their kid gets sick-- Like every-  
20 - So many New Yorkers are a simple accident, a  
21 simple car situation away from completely depleting  
22 their entire bank accounts. And so I-- you know this  
23 conversation about rolling in the rent or not, it  
24 really is about the fact that cobbling together  
25 thousands of dollars up front is the-- is the

2 barrier. Somebody said today, oh, \$50 to \$100 more  
3 in rent. That might be something they could stomach  
4 because that's what the market is at, unfortunately,  
5 and that's a problem that has to be fixed. And  
6 believe me, this Council works on that all the time.  
7 Nobody here on this-- in this side of the table needs  
8 a lecture about housing supply and housing demand.  
9 We can just not waste our time talking about that, in  
10 this particular instance. But the fact that it's--  
11 it's incredibly challenging to get \$3,000, \$2,000,  
12 \$1,000 extra when you don't really have anything in  
13 the savings is really what we're talking about as  
14 well.

15 So, can you speak to the-- the community that  
16 you, that you work with and serve and their ability  
17 to pull that amount of money together?

18 MR. SOLANO: I welcome this conversation. We-- I  
19 just did it on Saturday. I helped my-- my brother-  
20 in-law, move from a fourth floor walk up to a first-  
21 floor apartment five blocks away. And I was just  
22 there to bring coffee, and I ended up moving the bed  
23 and the bureau with him. I was there for two hours  
24 while my wife had the two kids looking. He only had  
25 enough for the security deposit and the first month's



2 rent, and he has saved over two years just to be in  
3 the position. And in his own mind felt that that  
4 was totally appropriate. "It's the first month that  
5 I lived there, and if anything ever happens to this  
6 apartment, I know that is a security, that me and the  
7 landlord will come..." This is on the ground. The  
8 data will show that what I've just said as a human  
9 example, will collaborate-- collaborate, everything  
10 I've just told you on. It is almost nearly  
11 impossible for everyday New Yorkers to come together  
12 for a first month's rent and a security. And he  
13 already accepted that he was not going to get the  
14 security from the apartment, that he was not-- even  
15 though he mopped it, cleaned it, erased every little  
16 thing that was there. He already just said, that's  
17 going to take me forever. I'm going to try, but I'm  
18 probably not going to get that back.

19 So, there is an incredible need that if there was  
20 another fee on top, it would have been two years just  
21 to do the first month, and the security, it would  
22 have been impossible just for my brother-in-law to  
23 move anywhere.

24 So, to your point, I say this is an incredible  
25 need to put that broker fee on the landlord.

2 CHAIRPERSON MENIN: Okay, thank you.

3 COUNCILMEMBER NURSE: It's also-- It's also the  
4 fact that sometimes people end up going into debt to  
5 cover that fee.

6 MR. SOLANO: Yeah.

7 COUNCILMEMBER NURSE: Because even if they might  
8 work out a deal where there's-- they're not only--  
9 things are rolled into their rent, but they're still  
10 paying off monthly, something with a deal.

11 So, it is incredibly challenging at the household  
12 level, and I really appreciate you speaking on it.

13 MR. SOLANO: Thank you.

14 CHAIRPERSON MENIN: Thank you very much.

15 Councilmember Oseé had another question for the  
16 panel.

17 COUNCILMEMBER OSSÉ: Just one more question for  
18 Mr Tusk, in response to your point on this impacting  
19 the economy.

20 From your perspective, why is passing the FARE  
21 Act important, especially for young professionals who  
22 may want to work in new industries in the city?

23 MR. TUSK: Yeah. I mean, look, I invest in tech  
24 startups, early-stage tech startups all over the  
25 country. But I would always prefer to invest in New

2 York startups. And I have all of these companies  
3 where they want to be based here, but they have to be  
4 able to recruit talent, and they're competing with  
5 other startups all over the country and all over the  
6 world, and when the cost of living here is too high,  
7 when someone has to move here and pay exorbitant out-  
8 of-pocket fees just to get information that's already  
9 free on the internet, they end up not basing their  
10 companies here, right? And so all kinds of  
11 industries, from digital health, to transportation to  
12 energy, to education that are doing incredibly  
13 groundbreaking things all across artificial  
14 intelligence, machine learning, things like that.

15 We're not getting the benefit of that, simply  
16 because we are sacrificing all of those jobs and all  
17 that opportunity in order to give one constituency a  
18 fee that they really, quite frankly, don't deserve.

19 COUNCILMEMBER OSSÉ: And the last question that I  
20 have for you is: Why is it important to keep our  
21 young professionals in New York and not move to other  
22 cities?

23 MR. TUSK: I mean, they're-- because the ROI, the  
24 Return On Investment is really high. I mean, these  
25 tend to be people, who they're typically not in

2 schools, so there's no cost of educating. They're  
3 not using a lot of social services. They're spending  
4 the vast majority of their disposable income on  
5 entertainment and nightlife, and, you know, bringing  
6 it right back into the economy. So, they're--  
7 they're paying taxes, they're putting money in the  
8 economy. They require very little from the city in  
9 terms of cost or services. These are really high-  
10 value tax payers, and having them is where it gives  
11 us the resources to help everybody else who needs  
12 help. And so we should do everything we can to  
13 encourage them to be here.

14 COUNCILMEMBER OSSÉ: So you would say forced  
15 broker fees are bad for New York City's economy?

16 MR. TUSK: No question about it.

17 COUNCILMEMBER OSSÉ: Thank you.

18 MR. SOLANO: Councilmember Ossé, may I add to the  
19 economy question? Because it's something that Sandy-  
20 - Councilmember Nurse had mentioned: The assumption  
21 is that most of our tenants are paying 30% of their  
22 income towards rent. Tenants are more likely paying  
23 50% to 60% to 70% of their income is going to rent.

24 This is not the days of 30% ratio that is  
25 happening in New York. The market has exploded that

2 people need to put-- it used to be two generations of  
3 family. People putting four generations of family in  
4 one household, squeezing into a two-bedroom, and  
5 paying up to 70% of that family's income towards  
6 rent, and additional-- your legislation to put the  
7 broker fee into a landlord or to anyone that wants a  
8 broker fee will be life-changing to everyday New  
9 Yorkers.

10 And I just wanted one last second to say, it's  
11 not every day this happens. Over two decades that I  
12 have been pushing legislation, this is an important  
13 legislation that has real impact on New Yorkers, and  
14 I appreciate you all today.

15 COUNCILMEMBER OSSÉ: Thank you. Thank you Chair.

16 CHAIRPERSON MENIN: Okay. Thank you very much to  
17 this panel. And we will now call the next panel.  
18 Douglas Wagner, Hal Govsie, Sarah Salzberg, Melissa  
19 Gomez. If you could please come up.

20 Okay, please begin.

21 MR. WAGNER: Hello. I'm Douglas Wagner from BOND  
22 New York. I live in Councilmember Ossé's District  
23 36.

24 I'd like to draw attention to the ideas of how  
25 this would affect advertising transparency and

2 possibly create the greatest amount of shadow  
3 inventory since the days of classified newspaper  
4 advertising.

5 Landlords can make a business decision not to pay  
6 a broker fee, and they can simply offer available  
7 apartments to the brokers they do business with on an  
8 open-listings basis, and then still have the tenant  
9 pay the fee. This is what happened in 2019, as was  
10 previously discussed when the Department of State  
11 issued guidance around HSTPA preventing a landlord's  
12 agent from charging a broker fee to a tenant. As we  
13 know, that guidance was overturned, but in the  
14 interim, landlords would temporarily restate their  
15 relationships with real estate brokers as a way to  
16 avoid paying the fee.

17 Many of the rental companies would receive  
18 vacancy lists with the same apartments on them with  
19 huge disclaimers prohibiting advertising, warning us  
20 that we, as brokers, could list the apartments, but  
21 we did not represent the landlord. We were  
22 encouraged to show these listed apartments to, and  
23 bring applications from, tenants we already  
24 represented and who would pay our commission.

2 I'm afraid the number of online apartment ads  
3 would likely decrease by up to 85% when brokers are  
4 no longer allowed to advertise non-exclusive  
5 listings.

6 Consumers don't care whether a listing is an  
7 exclusive or a non-exclusive. They want to find out  
8 what's available and how to see it. We could go from  
9 around 17,500 transparent apartment ads today to  
10 about 2,500 of them in a week, removing consumers'  
11 choice to search between no fee and fee-based  
12 listings, effectively forcing anyone able to find  
13 anything satisfactory in the remaining inventory to  
14 have to hire a real estate broker and pay them the  
15 fee.

16 Most brokers would continue to receive the  
17 vacancy lists, but the information won't go away--

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. I'm going to ask you  
20 to wrap up please.

21 MR. WAGNER: This bill proposes to reduce tenant-  
22 paid broker fees, and it would actually create more  
23 of them than ever existed before. Thank you.

24 CHAIRPERSON MENIN: Okay. Next speaker.  
25

2 MS. SALZBERG: Hello. I'm Sarah Salzberg. I'm  
3 the owner of an independent firm, Bohemia Realty  
4 Group in Harlem.

5 As New York City grapples with the housing  
6 crisis, our legislators must focus on solutions that  
7 address the root cause of this complex problem,  
8 instead of dictating how rental brokers are  
9 compensated. Intro 360 would have myriad unintended  
10 negative outcomes for tenants that will raise housing  
11 costs and further limit housing access. We have been  
12 down this road before. The 2019 passing of the  
13 state's disastrous HSTPA serves as a troubling  
14 reminder of another legislative attempt to keep  
15 housing affordable by restricting landlords and  
16 brokers, which spectacularly backfired.

17 Since 2019 rent in New York City has raised over  
18 26%. Last year alone, wages increased 1.2% while  
19 rents increased 8.6% the highest of any market in the  
20 country.

21 One of the many unintended consequences of HSTPA  
22 is the tens of thousands of rent stabilized units  
23 that sit off line due to a mandate that allows for  
24 almost no rent increase, regardless of the funds  
25 needed for renovations.



2 City officials would better serve their  
3 constituents by immediately advocating for reforms to  
4 HSTPA, which would bring back 10s of thousands of  
5 rent stabilized units.

6 Have there been any economic studies or analysis  
7 that indicate Intro 360 would lower rents? I think  
8 we have clearly seen today: No, there have not been.

9 Once a law is passed, it is hard to roll it back.  
10 That's why we are fighting against this bill.

11 Number one: Renters will be forced to pay more  
12 in rent and in fees. If all exclusive relationships  
13 mandate that the broker fees is paid by the owner,  
14 the owner will pass that cost to the tenant. That's  
15 what they do now. Should that tenant stay longer  
16 than a year, they end up paying that fee over and  
17 over again.

18 Number two: Renters will have less choice.  
19 Right now, any open listing that currently pays a fee  
20 to a tenant's agent, that would no longer be legal.  
21 Similarly, there are many exclusives where owners may  
22 prefer to keep rents lower for faster absorption.  
23 Intro 360 fails to consider the flexibility that the  
24 New York City market demands, and that has  
25 historically benefited renters by giving them choice.

2 [BELL RINGS]

3 CHAIRPERSON MENIN: Next speaker, thank you.

4 MR. GOVSIE: Thank you. Hal Govsie with Douglas  
5 Elliman. Thank you for having me here. This bill  
6 will be a lose-lose for renters and agents, as it  
7 would increase rents and make it harder to apply for  
8 an apartment, while also creating a more challenging  
9 environment for agents to be paid for their work.

10 As we see, working with property owners every  
11 day, most no-fee apartments do not absolve the renter  
12 from paying broker compensation. If not paid  
13 directly by the renter, landlords most often include  
14 broker fee costs in the rents.

15 The reality is, few owners have the time or  
16 interest in handling the work that brokers do, and  
17 recognize without them, apartments would not be  
18 marketed, shown, and leased with the level of detail  
19 and efficiency that benefits landlords and renters  
20 alike.

21 With the current rental housing supply in New  
22 York City so far behind demand, market history  
23 suggests leasing apartments at higher rents,  
24 inclusive of broker fees, will not be a challenge for  
25 these owners.

2 The Councilmember sponsoring this bill has even  
3 acknowledged that the result of this legislation  
4 would be that many landlords would include broker  
5 fees in rents, arguing that the cost of a broker fee  
6 would be more manageable for the renter if paid over  
7 the cost of the initial lease term, rather than on  
8 signing the day. This is shortsighted.

9 While deferring broker fee costs may offer  
10 momentary financial relief for some by baking fees  
11 into rents, you are creating three negative  
12 consequences for renters: Immediately, you are  
13 inflating average asking rents that would limit  
14 negotiating power for renters in an already  
15 competitive market; additionally, this bill could  
16 also impact housing access with a higher base rent,  
17 more renters will not meet the income requirements to  
18 apply for certain units, thus further limiting their  
19 options; finally, by including a previously one-time  
20 payment now and rent, renters will again pay the cost  
21 of the broker fee each year they resign their lease.

22 As I see my time is wrapping up here: If  
23 legislators want to curb rising apartment costs, they  
24 should support tools to create more housing  
25

2 inventory, to keep up with demand, continuing to  
3 advocate for failed ideas like--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Okay. If you could please  
6 wrap up.

7 MR. GOVSIE: -- Intro 360 distracts from  
8 addressing the real causes of housing costs, increase  
9 while punishing hardworking brokers and creating a  
10 more challenging environment for renters.

11 CHAIRPERSON MENIN: Okay. And next panelist.

12 MS. GOMEZ: Hi. My name is Melissa Gomez. I'm  
13 actually from Southeast Queens. I'm a member of the  
14 New York State Association of Realtors. I'm a real--  
15 I am a realtor, and I'm also a small landlord as  
16 well.

17 This legislation simply will not help the  
18 residents of New York. Affordable housing is a huge  
19 concern for all of us, not just for this council, but  
20 for real estate agents as well. This bill attempts  
21 to put a band aid on an issue, yet not really  
22 resolves the problem. Enacting a bill like this  
23 would make landlords either not use a real estate  
24 agent or significantly increase their base rent.

2 How do I know that it would increase rent?

3 That's because if you look on StreetEasy today, there  
4 are 13,942 apartments. Out of that 6,542 are no  
5 fees. When you're looking at the fees, the no fee,  
6 rentals start at \$4,893. The ones that are  
7 associated with broker fees are starting at \$2,899  
8 hat right there, shows you what's going to be  
9 happening as far as rent is concerned.

10 Then we talk about other areas. I looked up  
11 Miami. In Miami, tenants have to pay three months up  
12 front, first month's rent, last month's rent and a  
13 security deposit. Here we only do first month's rent  
14 and a security deposit to the landlord. But Miami  
15 also has different tenant laws. For example, you can  
16 give a three-day notice in Miami for eviction of non-  
17 payment, whereas in New York City, 30, 60, or 90 days  
18 is your notice and you're going to be in housing  
19 court for a minimum of a year.

20 Next, the question is: What will happen if we  
21 discourage land was from hiring real estate agents.  
22 And let's face reality. In my experience, some  
23 landlords do not feel that the same fair housing laws  
24 that apply to real estate license leaves apply to  
25 them. I have often had to explain to a landlord

2 about the state and federal fair housing laws and how  
3 they must obey them.

4 If this bill becomes law, the opportunity will  
5 decrease, and instead, the limited housing options  
6 that are currently available will become even more  
7 limited to the majority of people that are actually  
8 seeking shelter.

9 This bill is an attempt to put a band aid on the  
10 affordability crisis. However, does not address  
11 issues like the delays in housing court, the red tape  
12 to build, modify and renovate, et cetera, that are  
13 not being addressed.

14 To give an example, I own a two-family property  
15 in the Bronx. I had a gas leak. It took me six  
16 months back and forth between Con Ed in New York City  
17 to get that resolved.

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. I'm going to ask you  
20 to wrap up please.

21 MS. GOMEZ: Okay, no, that's it. You know, I  
22 just at the end of the day, it's going to be baked  
23 in, which is the reality. Thank you for having-- for  
24 hearing me.

2 CHAIRPERSON MENIN: Okay. Any questions for this  
3 panel? If not, we are going to move on. And I also  
4 want to mention, we've been joined by Councilmember  
5 Brewer. Okay, thank you to this panel. I'm now  
6 going to call the next panel. Anna Klenkar, Michael  
7 Corley, Samuel Stein, Allia Mohamed, Brendan  
8 Griffith. Please come up. Thank you.

9 COUNCILMEMBER OSSÉ: You may begin. Remember to  
10 turn on your mic.

11 MS. KLENKAR: Good morning, Councilmembers. My  
12 name is Anna Klenkar, and I'm a broker who supports  
13 the FARE Act. In 2019, when this briefly became law,  
14 I was primarily a rental agent, earning about \$40,000  
15 a year, and I welcomed this change.

16 Not only is it a fairer system, one which exists  
17 almost everywhere else, but it meant I would never  
18 again work with a tenant for weeks, only to give up  
19 my commission when a listing agent wanted the full  
20 15% fee, a fee paid by someone who actually hired me,  
21 not them.

22 Since 2019, I've publicly supported this type of  
23 legislation. I'm not alone, but the official  
24 industry stance has been to block these bills in  
25 order to protect our income.

2 That's how REBNY gathered agents here to protest  
3 today by claiming this is necessary to, quote,  
4 protect our commissions. But REBNY has also proposed  
5 as an alternative to the FARE Act helping tenants  
6 negotiate down the commissions they pay us. It feels  
7 less like we're protecting ourselves and more like  
8 we're protecting landlords, whom REBNY also  
9 represents.

10 Notably, they do not represent tenants, which  
11 makes me question some of their other claims about  
12 the bill's impact. The FARE Act does not cap agent  
13 commissions. If our incomes drop because landlords  
14 pay us less than they expected tenants to pay, it  
15 just shows the current system is built on  
16 exploitation.

17 At the end of the day, it isn't about us. It's  
18 about removing financial hurdles that keep tenants  
19 trapped in unsafe situations, which can be as serious  
20 as life or death. But while you don't need real  
21 estate's permission to pass this bill, rest assured  
22 that agents, as well as attorneys and other industry  
23 professionals are involved, even if it was too risky  
24 or intimidating to physically be here today.



2 It is incredibly popular, and the longer we fight  
3 it, the more we erode agents reputation and public  
4 trust. There are always unintended consequences to  
5 any change, but not all of those consequences are  
6 bad. I believe this bill will help much more than it  
7 hurts, and if any Councilmembers have additional  
8 questions, I'm happy to speak further. Thank you for  
9 your time.

10 COUNCILMEMBER OSSÉ: Thank you.

11 Thank you, Chair Menin, and thank you  
12 Councilmember Ossé. My name is Samuel Stein. I'm a  
13 Senior Policy Analyst at the Community Service  
14 Society of New York, which is a nonprofit that's been  
15 helping low-income New Yorkers for about 180 years.  
16 We've always had a strong focus on housing and  
17 especially on low-income tenants.

18 We support Intro 360, or the FARE Act, and I want  
19 to add some data points that have not been discussed  
20 before that can help inform our support.

21 The first is that the median renter household in  
22 New York City makes 59% of the area median income or  
23 Ami. Owners in the city make 109% of AMI. So,  
24 there's a huge income discrepancy according to the  
25 last housing and vacancy survey.

2 The housing and vacancy survey also showed a lot  
3 of movement in this city. In fact, there was a 44%  
4 increase in moving within the city from the last HVS  
5 to the current one. Over 761,000 households, more  
6 than one-in-five New York City households, moved into  
7 their current home in the years 2021 or 2022. This  
8 is unheard of. 57% of them moved into market-rate  
9 apartments, not necessarily because they love  
10 market-rate apartments, but because that's what's  
11 available.

12 However, it's not an even playing field. It is  
13 much more higher income people who are able to move  
14 than lower income renters. 56% of people who moved  
15 into their apartment since 2021 make more than  
16 \$100,000. We're just talking about rental  
17 apartments. People who make-- Renters who make over  
18 \$100,000 are just 36% of the city's rentals, yet they  
19 were 56% of the people who were able to move.

20 There was also a racial discrepancy. 50% of the  
21 people who were able to move in those last few years  
22 are white, whereas white renters are just 32% of the  
23 New York City tenants. I have more data that I can  
24 offer on savings as well.

25 COUNCILMEMBER OSSÉ: Thank you.

2 MS. MOHAMED: Hello. My name is Allia Mohamed,  
3 and I'm the Co-Founder and CEO of Open Igloo, a  
4 leasing marketplace that's helped over a million and  
5 a half New York City renters research their  
6 landlords, review their buildings, and find quality  
7 apartments.

8 In the last four years, we've also worked  
9 alongside brokers and landlords that share our belief  
10 that transparency is paramount in creating a fair and  
11 functioning housing market. And at Open Igloo, we  
12 feel that the FARE Act supports that belief, and I  
13 want to share a few of the perspectives that we've  
14 learned from the renters, agents, and landlords that  
15 are a part of our community.

16 I think many people in this room would agree that  
17 whenever a New Yorker complains about their housing  
18 situation, maybe it's a maintenance issue, or maybe  
19 they just want a different kind of space, the common  
20 response from non-New Yorkers is, "Well, if you don't  
21 like it, why don't you just go find something else?"  
22 And this reply is so frustrating, because we all know  
23 the emotional and financial toll that comes with  
24 moving in this city. A one- or two-month broker fee

2 on top of moving costs is simply a financial  
3 impossibility for many New Yorkers.

4 The FARE Act will give renters the freedom to  
5 move, the freedom of choice, and keep renters from  
6 being excluded from what is already a tight housing  
7 market.

8 We've also learned from landlords that it is  
9 better if tenants don't feel like they were forced to  
10 pay a fee to a broker that did not represent their  
11 interests. Many owners agree that the FARE Act has  
12 the potential to build trust and to make sure that  
13 the owner-tenant relationship starts off on the right  
14 foot, and that is good for business.

15 From our agent community members, including the  
16 agents that work on our team, we've heard that this  
17 will be an opportunity for great agents to rise above  
18 the stigma and focus their energy on building long-  
19 lasting relationships with the owners and renters  
20 that value their expertise.

21 I understand that this is a charged debate, but  
22 one thing is unequivocal, and that something needs to  
23 change. The FARE Act is the first proposal we've  
24 seen that isn't going after brokers, isn't going  
25 after fees, but simply trying to make the process of

2 renting more transparent and fair for all  
3 stakeholders. Thank you.

4 MR. CORLEY: Good morning, Chairperson Menin, and  
5 thank you for allowing me to come here and speak in  
6 support of the fairness of the FARE Act. My name is  
7 Michael Corley. I'm the principal broker at Corely  
8 Realty Group, a boutique residential brokerage firm  
9 that started in 2004. And I'm here in support of the  
10 FARE Act, because just as many of the people that are  
11 here on the panel that I'm with, it establishes a  
12 much fairer marketplace.

13 As a Managing Principal at Corely Realty Group,  
14 Inc, I personally understand how challenging it is to  
15 earn a living as a licensed real estate agent. So,  
16 it was not an easy decision in 2008 to end the  
17 practice of charging renters a broker fee. That  
18 decision proved decisive, since it fostered referrals  
19 from our existing leasing clients, and bought new  
20 business opportunities to our firm.

21 It is my hope that as a licensed practitioner for  
22 22 years, having professionally leased over 150  
23 apartments, personally in my career, my testimony can  
24 provide a balanced perspective that demonstrates the  
25 value this legislation offers to thousands of

2 residents that enter the rental market each year and  
3 the licensed real estate agents that broker rental  
4 transactions on the path of property owners.

5 Hopefully, by the end of my testimony, members of  
6 the Consumer and Worker Protection Committee and all  
7 in attendance will appreciate the value agents bring,  
8 and also why property owners should pay for the  
9 services they offer. Thank you.

10 MR. GRIFFITH: Good afternoon, Chair Menin and  
11 members of the Council's Committee on Consumer and  
12 Worker Protection. My name is Brendan Griffith, and  
13 I am the Chief of Staff at the New York City Central  
14 Labor Council, AFL-CIO. Over 300 unions are part of  
15 our coalition, and those unions represent over 1  
16 million workers across all five boroughs of our city.

17 We strongly support Intro 360 which requires the  
18 party retaining the services of a broker to pay the  
19 broker. Today, New York City is a city where a  
20 majority of households, 69%, rent their homes.  
21 Currently, the median asking rent for an apartment is  
22 approximately \$3,500, a staggering \$42,000 per year.

23 In addition to meeting that high monthly rent,  
24 most tenants who want to move into a new apartment  
25 are forced to pay broker fees, even when they did not

2 retain the services of that broker, or they were able  
3 to find the apartment on their own.

4 The resulting upfront costs of moving have made  
5 it even more difficult for working New Yorkers to  
6 find appropriate housing within New York City. With  
7 rental costs already accounting for more than 30% of  
8 some New Yorker's income, many of our members are  
9 already rent burdened, or paying more than 50% are  
10 severely rent burdened, and that's before even  
11 accounting for substantial payments to third parties  
12 that they had no choice in retaining.

13 The current state of affairs has contributed to  
14 making New York City unaffordable for working  
15 families. Intro 360 eases some of that burden by  
16 ensuring that, like in almost every other city in the  
17 United States, the person who decides to hire a  
18 broker is the one who will pay for their services.

19 By shifting the burden of some of these upfront  
20 costs back to the party who hires these brokers, the  
21 FARE Act brings us one step closer to ensuring that  
22 everyday working families are able to live and thrive  
23 in New York.

24 And I just want to end by stating that the CLC  
25 and our affiliates, we appreciate the opportunity to

2 testify in support of this much-needed legislation,  
3 and we look forward to continuing to work with this  
4 committee to develop policies that improve the lives  
5 of working people in New York City. Thank you.

6 CHAIRPERSON MENIN: Thank you very much. I'm  
7 going to turn it over to Councilmember Ossé for  
8 questions for this panel.

9 COUNCILMEMBER OSSÉ: Thank you. And I do want to  
10 start, because I know there was a gentleman who  
11 testified earlier that said that brokers were not  
12 engaged in this bill, but we actually wrote this bill  
13 with brokers to get their input, who were in support  
14 of the FARE Act.

15 The first question that I have is for Ms.  
16 Klenkar. What are the benefits of having brokers  
17 collect their fee from the hiring party?

18 MS. KLENKAR: Um, choice for one. We heard  
19 earlier that right now, tenants have a choice: No  
20 service or full service. And that's not even  
21 entirely true. But in a new system, each party, the  
22 landlord and the tenant, get to make a decision if  
23 they hire someone, who they hire, and what services  
24 they're requesting for what payment. So, for  
25 example, you are moving to New York City, and you



2 might not want someone to run around with you and do  
3 every single showing for 15%, but maybe you negotiate  
4 something different. Maybe you're a family that's  
5 working and you don't have the funds for a full fee,  
6 but you can come to an agreement with your  
7 representative, where something that works for both  
8 of you.

9 As a system exists today, you do not have any say  
10 in that as a tenant, the only person with choice in  
11 the current situation is the landlord, who's deciding  
12 whether their property is listed with an agent or  
13 not, and what the fee is.

14 COUNCILMEMBER OSSÉ: I also want to reiterate  
15 that the FARE Act was introduced with the intent of  
16 just making real estate transactions fair for all  
17 parties, including landlords, tenants, and brokers  
18 who are involved. Broker and consumer whether--  
19 Yeah, I guess, tenant and landlord, if FARE were to  
20 pass, how can brokers be empowered to negotiate their  
21 fees from the hiring party

22 MS. KLENKAR: The same way we negotiate  
23 everything. I mean, we have to have buyer  
24 agreements, seller agreements, landlord agreements.  
25 You're already sort of negotiating with a tenant or a

2 landlord now. This just gives you the ability to  
3 say, "Look, you can't shift the entire fee to the  
4 tenant. You're going to have to pay me something, if  
5 you want to hire me, and we can figure out what that  
6 looks like."

7 COUNCILMEMBER OSSÉ: And the Real Estate Board of  
8 New York is stating that under FARE, brokers will  
9 lose their ability to make more money, and it will  
10 cap their fees. They've said this multiple times  
11 about this bill. From your perspective as a broker,  
12 how will the FARE Act impact brokers?

13 MS. KLENKAR: Well, it doesn't cap fees. It  
14 definitely doesn't. And REBNY does govern landlords,  
15 so if they are concerned about agents getting paid,  
16 they do have something to do about it, potentially.

17 But as far as what else it will impact, it really  
18 just removes an exploit. Tenants pay 15% out of  
19 desperation. No one is paying 15% because they feel  
20 that that is what's fair to them, to someone who just  
21 showed them an apartment once, and did a lot of  
22 valuable work, but for the other party.

23 COUNCILMEMBER OSSÉ: Thank you. And I have a  
24 question for Mr. Corley. How long have you been a  
25 broker for, again?

2 MR. CORLEY: 22 years.

3 COUNCILMEMBER OSSÉ: Okay. And we are hearing  
4 that the broker fee can be negotiated. In your  
5 opinion, are renters well-equipped to negotiate down  
6 the broker fees?

7 MR. CORLEY: Absolutely not. [CHUCKLES] No.

8 COUNCILMEMBER OSSÉ: Do you want to speak more to  
9 that, or...?

10 MR. CORLEY: Certainly. Listen, I'll just share  
11 with you that as a broker, if I'm listing an  
12 apartment, I have at my disposal what I call a  
13 gatekeeper fulcrum, meaning that because I'm the  
14 access point to that apartment, I also control the  
15 outcome to presenting an application, to assessing  
16 default risk of that applicant, and making certain  
17 that there's no other avenue for them to achieve  
18 getting a lease other than through me, since I'm  
19 hired by the broker.

20 For all of our clients, the people that I work  
21 for, they hire me, they pay me, and those are  
22 property owners, small property owners, people that  
23 own two-family brownstones, three-family brownstones.  
24 So they are well acquainted with the level of work  
25 that I do. And had I continued that practice of

2 requiring a fee from the renter, there'd be no chance  
3 of them negotiating anything to lower a fee for me.

4 COUNCILMEMBER OSSÉ: Thank you for that. And I  
5 have another question for you: The brokers on the  
6 previous panel mentioned that there is an agreement  
7 prospective tenants or renters need to sign. Is this  
8 agreement that prospective renters are signing a  
9 document that renters have full knowledge and  
10 information to knowingly sign?

11 MR. CORLEY: It's at the point of sale, much like  
12 when you go to the counter at CVS, and you've got all  
13 your goods, and you find out how much it costs. At  
14 what point do you have to negotiate down any value at  
15 that point? You don't. And so when a renter finds  
16 out that the landlord has approved them to lease the  
17 apartment from the broker, they get handed a bunch of  
18 papers, forms that outline certain disclosures,  
19 acknowledgements, and as a result, they are at the  
20 point of which-- with so much sunk costs they can't  
21 refuse to move forward. It's an enormous task to  
22 lease an apartment in this city. And they would  
23 rather go ahead and move forward rather than to begin  
24 the search again. So, no.

2 COUNCILMEMBER OSSÉ: And, Ms. Klenkar, I wanted  
3 to follow up on something that you said, because I've  
4 received in our push for this bill, dozens of  
5 messages, private messages from brokers who are in  
6 support of this bill and didn't feel comfortable  
7 coming to testify in support of this bill.

8 I know you spoke a little bit to that, in terms  
9 of some of the intimidation that-- that-- and the  
10 support that comes within the broker community.

11 MS. KLENKAR: Look, sometimes it's not possible.  
12 If you're an agent on a team. I know some people who  
13 speak off the record because they can't risk their  
14 team's ongoing relationships with certain landlords.  
15 People have been fired over this. And REBNY actually  
16 contacted my manager when they found out I would be  
17 here today.

18 COUNCILMEMBER OSSÉ: Wow.

19 MS. KLENKAR: So, it is a little bit intimidating  
20 to feel like your industry thinks you're a traitor  
21 for voicing your opinion.

22 COUNCILMEMBER OSSÉ: Another question for you is:  
23 There's an argument that if landlords are forced to  
24 pay for brokers, no one would hire a broker due to  
25

2 cost. Do you believe that is true? And if not,  
3 please elaborate why.

4 MS. KLENKAR: I don't think it's true because I  
5 do a lot of-- or have historically done a lot of no-  
6 fee rentals with owners who are choosing to hire me  
7 and they're paying my fee so that every tenant is  
8 going to be treated kind of the same, and we can  
9 evaluate who has the strongest application, and who  
10 will be the best fit for their listing.

11 COUNCILMEMBER OSSÉ: Thank you. And, Ms. Mohamed,  
12 opponents say renters already have a choice to not  
13 pay the broker fee because of no-fee apartments.  
14 But, how many apartments in New York are considered  
15 no-fee apartments?

16 MS. MOHAMED: I know we've heard a lot of stats  
17 today that it's around 50-50. And I think looking at  
18 just the StreetEasy data is a bit inaccurate, to get  
19 a full picture of what the no fee listings are.

20 I would say closer to 70% of the listings in New  
21 York City come with a fee, and the other 30% that  
22 don't have a fee, a lot of times it's, you know,  
23 landlords that have gone a different route, having  
24 in-house leasing teams that are made up of agents,  
25 actually, that just have a different cost structure

2 that they've modeled into-- into their financials  
3 when it comes to leasing the properties.

4 COUNCILMEMBER OSSÉ: And what are the typical  
5 rents of no fee apartments?

6 MS. MOHAMED: So, it definitely varies. It  
7 depends on neighborhood. It depends on borough. But  
8 you definitely see no fee apartments that happen more  
9 commonly in luxury apartments with full-fledged  
10 amenities. Those buildings come with free month  
11 concessions. They come with no fees. Those  
12 buildings have on-site teams like I shared that are--  
13 that are made of agents.

14 So, definitely there isn't this full-fledged,  
15 full-choice access that a renter has when they go  
16 into the market. They're really making a choice  
17 between 70% of the apartments taking that completely  
18 out of the list when they're looking to move.

19 COUNCILMEMBER OSSÉ: And you would say most of  
20 those no-fee apartments on the market are luxury  
21 apartments?

22 MS. MOHAMED: A big-- A big percentage of them.  
23 Not all, but a large percentage of them.

24 COUNCILMEMBER OSSÉ: So they would be-- So they  
25 would be expensive anyways?

2 MS. MOHAMED: Correct.

3 COUNCILMEMBER OSSÉ: Right. Why are the rents  
4 of-- Oh, well you answered that. Opponents say that  
5 tenants are able to negotiate-- give me one second--  
6 negotiate down a broker fee, and this fee is not  
7 forced. From your research do you feel-- do you  
8 feel that a renter having an ability to pay the  
9 higher broker fee means they are seen as a more  
10 competitive tenant, and therefore likely to be chosen  
11 by the landlord for the unit?

12 MS. MOHAMED: Yeah. I'll echo some of the  
13 comments made by the panelists. You know, a key  
14 ingredient to any negotiation is to have leverage.  
15 So, it is very, very difficult for renters at the  
16 11th hour when they need a new apartment next week to  
17 start negotiating the broker fee in that moment. We  
18 get emails, inquiries from renters every single day,  
19 asking for guidance on whether they should negotiate  
20 the broker fee. And there are many instances where  
21 we'll encourage them to do that, if we think it's--  
22 if we think it's smart, right? Has the apartment  
23 been on the market for 100 days? What neighborhood  
24 is it in?



2 There are brokers-- Not all brokers operate as a  
3 monolith, right? Everyone operates their business in  
4 a different way. There are some renters-- some  
5 brokers that will prioritize applications that will  
6 pay the highest fee. Other brokers may not operate  
7 that way. But I would say it is very difficult for  
8 renters to negotiate broker fees.

9 COUNCILMEMBER OSSÉ: And my last question for you  
10 before moving on is that we hear that units are  
11 listed as no fee, but then prospective tenants will  
12 find out that these units are actually requesting a  
13 broker fee. What is the reason behind this?

14 MS. MOHAMED: We do see it happen quite-- quite  
15 frequently. And listen, there are a lot of brokers  
16 in this room that are doing their business by the  
17 book, following the laws to the T, making sure that  
18 all the disclosures are given to the renter even in  
19 the first inquiry, right?, in the first phone call or  
20 email.

21 But there are some cases, and I think it's  
22 important for people to acknowledge this, that you  
23 will show up to a no-fee listing, and a broker might  
24 tell you, "Oh, sorry. That apartment is no longer  
25

2 available. Let me show you something else, but that  
3 apartment has a fee. Would you like to see it?"

4 So we do see that happen. We do get inquiries  
5 from renters that are asking for guidance on this.  
6 "Is a broker allowed to do that? What can I do?"  
7 And sometimes we're just-- we just say,  
8 "Unfortunately, you know, you're going to have to,  
9 you know, move on to another apartment." So, it's  
10 very difficult for renters.

11 COUNCILMEMBER OSSÉ: Thank you. And I have a  
12 couple questions for Mr. Griffith from the Central  
13 Labor Council. Why is broker fee reform-- reform, in  
14 your opinion, or from the union's perspective,  
15 important for unionized workers?

16 MR. GRIFFITH: Great. Thank you for the  
17 question. You know, the reality is that the median  
18 rents of approximately \$3,500, the median annual  
19 income of about \$77,000, New York City is-- is more  
20 and more unaffordable. And when you have fees like  
21 this that are paid for all intents and purposes, they  
22 are a wage cut. They are wage cut for workers who  
23 are trying to change the situation to a more  
24 appropriate apartment, as has been mentioned by  
25 previous panelists, it might be a larger apartment

2 for a larger family, closer to home. Many city  
3 workers have residency requirements. This is a  
4 significant part of how workers in New York City  
5 spend their income.

6 COUNCILMEMBER OSSÉ: Thank you. And what is the  
7 correlation to keeping workers in New York, and  
8 strengthening union power?

9 MR. GRIFFITH: New York City is a union town.  
10 You know, it's-- it's said often, and it's as true  
11 today as it was 10 years ago, 20 years ago, and it  
12 will be 10 years and 20 years from now. That being  
13 the case, we want to make sure that union workers in  
14 this city are invested in this city as residents,  
15 their families are-- You can afford to raise a  
16 family in this city, and to do that, we need to make  
17 sure that that housing is a cost that is controlled  
18 for workers.

19 COUNCILMEMBER OSSÉ: Thank you. And for our last  
20 panelist, Mr. Stein, from CSS's survey, quote "The  
21 Unheard Third", it was reported that a majority of  
22 tenants surveyed cannot afford all the expenses that  
23 come from moving into a new home, and this led to  
24 tenants taking on debt, borrowing money, or selling  
25 possessions, which further put an undue burden on

2 them. What do tenants feel that they have to do, all  
3 that to ensure they can meet the fees associated with  
4 moving in.

5 MR. STEIN: Yeah, and let me say that "The  
6 Unheard Third" survey is an annual survey we've been  
7 doing for over 20 years, and it's a scientifically  
8 rigorous study. It's done by a professional polling  
9 firm. Our sample size is quite large.

10 So yeah, a majority of tenant respondents said  
11 that they could not cover a \$400 emergency expense.  
12 And as you said, they-- When we asked, you know,  
13 "What would you do?" They said, "We'll take on debt,  
14 borrow from friends or family," or sell something in  
15 their possession. That's just for a \$400 expense.  
16 We asked how much money New Yorkers have in savings,  
17 homeowners-- a majority of homeowners said more than  
18 \$10,000, while the most common response for public,  
19 subsidized, and rent-regulated tenants was \$0 to \$99.  
20 And you might say, well, they don't pay broker fees  
21 to get into their apartments. Well, yes, but they  
22 want to pay-- they might need to pay a broker fee to  
23 get to another apartment. So, when they move, they  
24 have nothing in savings.

2 And in fact, two out of five market rate tenants  
3 also said they have \$0 to \$99 in savings.

4 We asked about, you know whether they worry about  
5 household expenses: 40% of homeowners said they  
6 never have to worry about family expenses. Less than  
7 20% of renters said the same.

8 COUNCILMEMBER OSSÉ: Thank you. One more  
9 question. I'm so sorry Chair. But Ms. Klenkar,  
10 remember in the past panel, we heard that brokers or  
11 landlords are just going to take their homes off of  
12 these sites and will go into an age of darkness in  
13 terms of finding an apartment. Can you speak to  
14 that? Or does this bill have any correlation to how  
15 that would impact?

16 MS. KLENKAR: I think that in some situations, it  
17 feels like a bluff. Because if you're claiming that  
18 instead of paying an agent a one-month fee to  
19 represent enlist your apartment, or choosing to do it  
20 yourself, you're going to not earn an entire year's  
21 worth of rent because it's easier for you to keep it  
22 vacant than have it rented if the tenant is no longer  
23 paying the fee? I find that confusing.

24 I also want to point out this bill is not passing  
25 today. There will be plenty of opportunity after

2 this to go through every single specific situation  
3 with things like open listings and transparency.

4 I hope that this is the-- hope of-- or the  
5 beginning of more collaboration between members of  
6 the public, City Council, and people who work in real  
7 estate on the ground, having more input into bills  
8 that will help protect everyone.

9 COUNCILMEMBER OSSÉ: Thank you. And I also do  
10 want to thank the hundreds of supporters who are  
11 outside. I know that they're watching on live  
12 stream, who haven't made it in yet. This committee  
13 sees you, and knows where New Yorkers stand.

14 So, thank you so much to this panel.

15 CHAIRPERSON MENIN: Okay, thank you to the panel.  
16 I'm now going to call the next panel, Jason Haber,  
17 Brian Hourigan, Anthony Domathoti (sorry, it's hard  
18 to read this one), and Keyan Sanai. Please come  
19 forward to testify. Thank you.

20 Okay, please begin,

21 MR. HABER: Good morning. Good afternoon now.  
22 My name is--

23 [GAVEL]

24

25

2 CHAIRPERSON MENIN: One second. Sssh. If  
3 you're going to be speaking, please exit the chambers  
4 so we can hear. Thank you.

5 MR. HABER: Thank you. My name is Jason Haber.  
6 I'm the Co-Founder of the American Real Estate  
7 Association, and a long-time member of REBNY. The  
8 last 25 years I've been coming before this council,  
9 championing many progressive causes. I am a former  
10 district leader, state committee member, and DNC  
11 delegate, and I speak today not just as a progressive  
12 with receipts, but as a real estate professional and  
13 also an academic, where I've served on the adjunct  
14 faculty at John Jay College, where I taught courses  
15 on urban planning and affordable housing.

16 Councilmember Brewer has been-- spoken to my  
17 class. I don't think any other members of the  
18 committee are, but in future classes, I'd love to  
19 have you there.

20 I frequently lecture to civic groups on urban  
21 planning, and I'm considered an expert in this field.  
22 And so my evaluation today of this bill comes from  
23 years of study and market knowledge. It doesn't come  
24 from speaking to people at diners. Sorry, Governor.

2 But let me be clear for all the intentions of  
3 this bill, it's the unintended consequence, and I  
4 truly know it's unintended, but rents will go up.  
5 They will go up to historic levels, and your  
6 constituents will come to you and say, "Why is the  
7 rent too damn high?" It will make today's rent look  
8 low.

9 We have an obligation to not engage in tactics  
10 which raise the rents. They are already far, far too  
11 high. There are real solutions out there that I'd  
12 love to discuss with you in the Q and A if you like.

13 There are agents here today who are not on the  
14 clock. They are not being paid. They are losing  
15 money because their livelihoods are also on the line.  
16 We can do better. Let's make New York more  
17 affordable, and it starts by voting no on this bill.  
18 Thank you.

19 [APPLAUSE]

20 [BACKGROUND VOICES]

21 CHAIRPERSON MENIN: Okay. Again, we've been very  
22 clear what the rules are. You cannot-- You really  
23 need to remain silent. Please. Next speaker. Thank  
24 you.



2 MR. DOMATHOTI: Good afternoon. Chairman--  
3 Chairwoman Menin, and members of the Council  
4 Committee on Consumer and Worker Protection. My name  
5 is Anthony Domathoti, and I'm a real estate broker in  
6 the Bronx. I'm also a member of the New York State  
7 Association of Realtors, and the Hudson Gateway  
8 Association of Realtors whose members serve Manhattan  
9 and the Bronx, as well as the lower Hudson Valley.

10 As a lifelong resident of the city, I witnessed  
11 the struggles and triumphs of countless individuals  
12 navigating our city's challenging rental market. The  
13 support and expertise of licensed realtors has been a  
14 beacon of hope for many, including myself.

15 I'm here to speak in opposition of Intro 360.  
16 When I first moved to this bustling city for my  
17 career, I was overwhelmed by the sheer complexity of  
18 finding an affordable apartment. The maze of  
19 listings, the uncertainty of landlords who charged  
20 varying security deposits, and had conditions for  
21 application approvals, and the ever-looming threat of  
22 being taken advantage of were daunting.

23 A licensed Realtor stepped in, offering not just  
24 a service but a lifeline. Their fee, which some  
25 might see as a burden, was a small price to pay for

2 the security, for the peace of mind, and the  
3 invaluable guidance they provided me.

4 I also think of a dear friend who, after months  
5 of fruitless searching and countless disappointments,  
6 decided to enlist the help of realtor. Within weeks  
7 they found a suitable home, navigated the legality  
8 seamlessly, and moved in without the stress that had  
9 plagued them for so long. The Realtor's fee was not  
10 just a payment, it was an investment in their future,  
11 in their stability, and in their happiness.

12 This bill threatens to dismantle the crucial  
13 support system by prohibiting Realtors from  
14 collecting fees unless directly employed by the  
15 renter. We risk stripping away the very essence of  
16 what makes the New York City Market navigable for so  
17 many. Realtors are state licensed professionals, not  
18 faceless entities. They're hardworking individuals  
19 who dedicate their lives to helping others find homes  
20 in their vast, unforgiving city.

21 [BELL RINGS]

22 I'm just going to close off with one sentence.  
23 Let us not forget that every policy impacts real  
24 life. The realtor who helped me find my first  
25

2 apartment, the agent who rescued my friend, are the  
3 backbone of this city's market. We must--

4 CHAIRPERSON MENIN: Okay, you need to-- no, no.  
5 That's more than one sentence. We're going to--  
6 Again two minutes for every speaker.

7 MR. DOMATHOTI: Thank you. Thank you for your  
8 time.

9 CHAIRPERSON MENIN: Okay, thank you. Next  
10 speaker.

11 MR. SANAI: Hi. My name is Keyan Sanai. I've  
12 been the number one rental agent at Douglas Elman for  
13 the past five years in a row, and I've been in this  
14 business for a little over a decade.

15 I come from a single family, low-middle-class  
16 home outside of Poughkeepsie, New York, and I'm a  
17 proud product of the public school system. A  
18 majority of my family are refugees who escaped from  
19 Iran during the Islamic Revolution.

20 Before I moved here, I worked at a country club  
21 to save enough money to move here. When I moved  
22 here, I lived paycheck to paycheck for many years.  
23 Without any connections or help, I bootstrapped my  
24 way to some success. I have years now of both

2 intricate experience of both tenant representation  
3 and landlord representation.

4 While I'm glad that we have the data to codify  
5 that the rents will go up, I can also speak from my  
6 personal experience dealing with landlords. During  
7 that two-week period there was confusion about this  
8 ban in 2020, I called all my landlords, or they  
9 called me and they said, "Great, raise the rent, 500,  
10 700 bucks and make it no fee." This will price  
11 people out of the apartments, and not only that,  
12 it'll increase the value of the buildings for these  
13 landlords, thus making them richer and widening the  
14 wealth gap, which I thought was something you guys  
15 weren't trying to do.

16 In recent weeks, I've had to watch the Councilman  
17 push fallacies which are not based off fact and are  
18 pure hyperbole, including that this bill will not  
19 raise the rent, and also that my job consists of just  
20 opening a door.

21 This type of hyperbole is a cheap attempt to  
22 sucker people into thinking this bill will affect  
23 positive change when it will really cause long-term  
24 financial pain and even more mayhem in the housing  
25 market and perhaps more inventory shortage. This

2 bill will hurt the very people the Councilman is  
3 pretending it would help. And unlike the Councilman,  
4 I do have real world experience in this field, as  
5 well as the data to codify it.

6 I'm happy to answer any questions you have with  
7 facts or real-world experience. I'm also very happy  
8 to help be a part of the solution. This is not the  
9 solution.

10 Councilman, you say you wrote this bill with  
11 brokers. Myself, nor any of the top rental brokers  
12 in the city heard from you. You picked and chose  
13 people based on confirmation bias who are frustrated  
14 with their own lack of success, as we previously  
15 heard. Thank you. God bless America.

16 [APPLAUSE]

17 CHAIRPERSON MENIN: Next speaker. Next speaker.  
18 Thank you.

19 MR. HOURIGAN: Good afternoon. Brian Hourigan  
20 from BOND New York. The last time I was here in this  
21 chamber, I spoke in defense of the hard-working real  
22 estate professionals who pride themselves on  
23 providing quality service, before also proposing  
24 ethics reforms that would raise the bar in our  
25 industry and improve transparency for consumers.

2 This time, I feel compelled to speak out on  
3 behalf of New York City renters and the public at  
4 large, who would be irreparably harmed if this bill  
5 should pass.

6 Intro 360 is the quintessential wolf in sheep's  
7 clothing. It may sound reasonable to some who don't  
8 understand the fundamentals of our market. The irony  
9 of the bill, though, is that it will, in foreseeable  
10 ways, raise costs, raise rents, reduce transparency,  
11 promote unethical bait-and-switch techniques among  
12 unscrupulous brokers, and actually increase the  
13 prevalence of tenant-paid broker fees, as opposed to  
14 lessening them.

15 My firm overwhelmingly represents tenants, and in  
16 the last quarter, over 60% of the transactions we  
17 worked on, we were hired by a tenant but paid by a  
18 landlord, whom we did not represent, not by our  
19 tenant client. Under this bill, that structure would  
20 become illegal, and all those tenant clients would  
21 have had to pay for our services.

22 While I don't have time to detail every other  
23 negative consequence of the legislation, I'm  
24 confident other industry experts can detail just how  
25 this will cause the largest rent increase New York

2 City has ever seen, while obliterating consumer  
3 choice, and demonstrate why this bill should actually  
4 be called the Discriminators Delight Bill. It works  
5 against the interests of our most vulnerable New  
6 Yorkers, who are, of course, public assistance  
7 voucher holders.

8 I think it's fair to say that every one of us in  
9 this room agrees a city has a serious and worsening  
10 affordability crisis which needs to be addressed in  
11 thoughtful and meaningful ways. To those who are  
12 concerned about affordability and equitable access to  
13 housing, you and I are on the same team. We need  
14 more affordable housing, and it must be built right  
15 now. We need to protect the most vulnerable by  
16 improving our archaic, bureaucratic, broken public  
17 assistance voucher system right now.

18 And New Yorkers need and deserve the most well  
19 trained, ethical, transparent and professional real  
20 estate representatives in any market, anywhere, right  
21 now, but there's much work to be done on that front.

22 Let's resolve to immediately introduce and adopt  
23 a sweeping tenants Bill of Rights--

24 [BELL RINGS]

2 -- which elucidates precisely what choices  
3 renters may have--

4 CHAIRPERSON MENIN: Okay. You need to wrap this  
5 up.

6 MR. HOURIGAN: --when they enter the marketplace,  
7 empowers them to make informed decisions --

8 CHAIRPERSON MENIN: Okay. That's--

9 MR. HOURIGAN: --and finally, holds accountable  
10 any brokers, agents or landlords who act in good  
11 faith--

12 CHAIRPERSON MENIN: You're going to have to wrap  
13 it up.

14 MR. HOURIGAN: --[inaudible] obligations.

15 CHAIRPERSON MENIN: Okay. Shhh. I'm going to  
16 call on Councilmember Brewer for questions.

17 COUNCILMEMBER BREWER: Thank you very much. So  
18 Jason, I know that you have thought about this issue.  
19 So if we are trying, everybody, to keep rents down  
20 and do not have people pay these huge fees, don't  
21 answer-- and I think you won't that we have to build  
22 more housing. We know that. It's slow. What other  
23 suggestions do you have to accomplish what we all  
24 want?



2 MR. HABER: Sure. So instead of building  
3 housing, right now, we have over 50,000 vacant units  
4 in the city. If Albany allowed landlords to accept  
5 Section 8 vouchers at the voucher limit, for example,  
6 50,000 units go in one week. 66,000 homes were on  
7 the market for sale in the country last week. This  
8 would be like putting the entire country's housing  
9 stock into New York City in an active market, and you  
10 would alleviate immediately... immediately. And that  
11 could be done in one day.

12 Those units right now are sitting vacant.  
13 There's over 50,000 of them.

14 COUNCILMEMBER BREWER: Okay, so you're talking  
15 about getting the Section 8 to go into the 50,000.  
16 That's your answer? I just wanted to check to see  
17 what it was.

18 MR. HABER: That's my answer.

19 COUNCILMEMBER BREWER: All right, thank you.

20 CHAIRPERSON MENIN: Okay. Councilmember Ossé.

21 COUNCILMEMBER OSSÉ: Yeah. I just-- I don't have  
22 any questions. I just wanted to correct the record  
23 that I never said that all brokers do is just open  
24 doors.

25 MR. SANAI: You do. It's on Tictok.

2 COUNCILMEMBER OSSÉ: On-- I did not do that.

3 [BACKGROUND VOICES]

4 MR. HOURIGAN?: You did. You said--

5 MR. SANAI?: It is on Tiktok.

6 MR. HOURIGAN?: --you need to open a door.

7 COUNCILMEMBER OSSÉ: Maybe someone else responded  
8 to that.

9 MR. SANAI: You did, but...

10 [BACKGROUND VOICES]

11 [GAVEL REPEATEDLY]

12 COUNCILMEMBER OSSÉ: I think-- I think--

13 MR. SANAI: Don't gaslight me bro.

14 CHAIRPERSON MENIN: Please. Everyone needs to be  
15 silent, thank you.

16 COUNCILMEMBER OSSÉ: And also it's not a  
17 question, so you cannot respond.

18 MR. SANAI: You're lying.

19 COUNCILMEMBER OSSÉ: I believe brokers do provide  
20 a valuable service, especially when the individual  
21 party hires that broker. You know, I appreciated the  
22 work that my broker did in finding me the perfect  
23 apartment that I currently live in now. I just think  
24 when the dynamic is forced upon people, it's an

2 unfair situation. That's what the purpose of this  
3 bill is to do.

4 MR. SANAI: You said we get paid to open the  
5 door. It's on Tiktok.

6 COUNCILMEMBER OSSÉ: That's-- That's what I  
7 pushed. I would, I would, I don't remember saying  
8 that. But-- But if-- if you do want to-- want to  
9 uplift it for me at some point, that would be great.

10 MR. SANAI: It's in the one with the female  
11 comedian, Alana. You said they get paid 15% and they  
12 just opened the door.

13 COUNCILMEMBER OSSÉ: So, I think brokers provide  
14 a valuable service. This bill is-- is, in my  
15 opinion, not anti-broker. I worked with some brokers  
16 who worked with me to do this.

17 I do want to also correct that, you know,  
18 landlords don't set rent. You know, market forces of  
19 supply and demand set rent. And I'm all for building  
20 more housing. I've made very public statements about  
21 that. I'm supportive of the government building more  
22 housing. But at the same time, you know, this bill  
23 is not reinventing the wheel. This is replicating  
24 how this is done in every other major city in America  
25 except for Boston. Chicago is a dense city. San

2 Francisco is a dense city. Los Angeles is a dense  
3 city. And in those cities, they don't force tenants  
4 to pay a broker fee.

5 MR. SANAI: Correct. But this is--

6 COUNCILMEMBER OSSÉ: I just wanted to correct the  
7 record there.

8 MR. SANAI: --the greatest city in the world, and  
9 things are done differently here.

10 COUNCILMEMBER OSSÉ: Thank you, Chair.

11 CHAIRPERSON MENIN: Okay. Thank you very much to  
12 this panel.

13 MR. SANAI: Liar.

14 CHAIRPERSON MENIN: I'm now going to call the  
15 next panel: Augustina Velez, Blanca Perez, and  
16 Gladys Pugio[SP?]. We-- Just so everyone  
17 understands the rules. There will be an interpreter  
18 for this panel. The speaker gets two minutes, and  
19 the interpreter gets two minutes to translate. Thank  
20 you.

21 One second we're waiting for the interpreter.

22 INTERPRETER: Okay. I sit here just to interpret  
23 for them, or no?

24 COUNCILMEMBER OSSÉ: I think we have one, yeah.

2 CHAIRPERSON MENIN: Yes, we have one. Thank you  
3 so much. Thank you.

4 Great. Please begin. First speaker. Okay,  
5 please begin.

6 MS. PEREZ: Good afternoon. My name is Blanca  
7 Perez. I live in [inaudible] Brooklyn. I am a  
8 worker. I clean houses. Sometimes I have to clean  
9 two or three houses in order to earn \$100. Rent is  
10 already very expensive for me and for us, the  
11 workers.

12 So for us, it is hard to pay the rent. We cannot  
13 live alone any longer. We have to live between--  
14 amongst other people. So to pay other people on top  
15 of it is already a lot for us. It's stressful. I've  
16 lived in this apartment for 25 years, and now that  
17 they sold the house, I need to move. It's stressful.  
18 It's too much money for me. I don't have a fixed  
19 income. So, I live day to day, and I would be very  
20 affected by this.

21 Thank you very much.

22 CHAIRPERSON MENIN: Thank you. And the next  
23 speaker, please.

24 MS. VELEZ: Good afternoon. My name is Augustina  
25 Velez.

2 COUNCILMEMBER OSSÉ: Can we turn her mic on?

3 Thank you.

4 MS. VELEZ: I'm a mother of a family. I lived in  
5 heights Queens for the last 17 years, and during all  
6 this time because of the increase in rents I've had  
7 to move several times, and also accept conditions  
8 that are not the best, and this in part is because of  
9 the extra costs that come with moving. If landlords  
10 increase our rent and we cannot pay anymore, we will  
11 have to move, and by moving, we will have to pay more  
12 money in order to get a new apartment.

13 So, it seems we cannot get out of the circle  
14 where people, working people like me, are taking more  
15 and more money from us.

16 A few years ago, I had to move because the rent  
17 was increased in my last apartment. In that  
18 occasion, I needed more than \$6,000 for the first  
19 month between broker and deposit, and also the move  
20 costs and the installation of services.

21 In most businesses, the person who hires the  
22 other person pays. And in the case of a broker, this  
23 should be the person who hires the broker. It's  
24 their responsibility to pay. Enough with these  
25 injustices. So landlords have to pay for the work

2 and the services they use, and brokers should also be  
3 demanding this as well. Brokers have shared that  
4 they spend a lot of time traveling and the traveling  
5 costs come from their own pockets, and they should  
6 demand to be paid by that person who hires them. I  
7 ask that my message be heard and a stop to this  
8 unfairness. It's time for landlords to take  
9 accountability and pay for the services, services  
10 which they themselves decide to use.

11 On behalf of my family, and tenants around the  
12 city, and also my community, I ask the City Council  
13 to please approve the FARE Act, and those who hire  
14 the other party should pay. Se puede, si se puede.

15 MS. PUGIO[SP?]: Good afternoon, everyone. My  
16 name is Gladys Pugio. I'm giving the testimony of  
17 someone else who couldn't come because she wasn't let  
18 out of her work.

19 Okay. My name is Lydia Patricia Charia[SP?]. I  
20 recently had to move from Bushwick with my husband  
21 and my two children, because the rents are very high  
22 in a gentrified neighborhood, and it has increased  
23 financially because of the same housing industry.

24 We were forced to leave the community where we  
25 were used to living, the school, my children's

2 school, our church, the supermarket, and the  
3 community organization, Se Hace Camino Nueva York, of  
4 which I'm a member.

5 During seven months, I worked tirelessly looking  
6 for an apartment, looking for available places,  
7 calling different numbers, et cetera, until I finally  
8 found a good option for me and my family in Queens.

9 In order to move to this apartment, I was forced  
10 to pay three months of the cost of the apartment,  
11 which were the first month the security deposit and  
12 the broker's fee, which was a total of \$6,750.

13 So I'm here because it is extremely difficult to  
14 pay so much money to be able to move, and it is  
15 unfair that working tenants have to pay so much money  
16 to a broker, which we didn't even hire.

17 When I went to see the apartment, the broker was  
18 in charge of the apartment.

19 This is what she's trying to say. For me, it  
20 happened the same thing. When I moved to Bushwick,  
21 we found in the newspaper that they were renting this  
22 apartment. But when we got over there to see, there  
23 was a broker there. I said, "I didn't call you. So,  
24 who are you? Where's the landlord? Who's the  
25 owner?"



2 And then they said-- they were telling me that if  
3 I get the apartment, if I give three months. Nobody  
4 has that money. People might have it, some others,  
5 but not everybody.

6 CHAIRPERSON MENIN: Okay. I'm going to ask you  
7 to wrap up and then questions.

8 Okay, so I think Councilmember Ossé has some  
9 questions.

10 COUNCILMEMBER OSSÉ: Yeah. I guess the one  
11 question that I have is: Do you feel that you, or  
12 anyone that you know, whose primary language is not  
13 English, is fully equipped with the knowledge and  
14 resources to fully bargain and negotiate the broker  
15 fee?

16 [TRANSLATOR TRANSLATES]

17 MS. PUGIO[SP?]: No. No. Because they come in  
18 by surprise. They don't tell us that they were going  
19 to charge us that extra month of rent for the broker.  
20 Never told us. And they never told us that there was  
21 a broker in charge of that. So, why do we have to  
22 pay some services that we have not requested? That's  
23 what she's trying to tell. Why do I had to pay  
24 something that we-- we not requested. Nobody

2 requested. Nobody looked for that dollar amount to  
3 pay somebody just to see an apartment.

4 COUNCILMEMBER OSSÉ: Right. Thank you.

5 MS. PUGIO[SP?]: The landlord could do that.

6 COUNCILMEMBER OSSÉ: Thank you.

7 MS. PUGIO[SP?]: All right?

8 CHAIRPERSON MENIN: Thank you very much to this  
9 panel. Okay. Thank you very much. We're going to  
10 call the next panel. Jesse Ronair, Bruno Ricciotti,  
11 William Abramson, Mackenzie Ryan, and Jordan Silver.  
12 Please come up. Thank you. yyy

13 Okay, please start.

14 [UNKNOWN SPEAKER] Okay. Got a shocker here for  
15 everyone. If this bill passes, it is going to work  
16 in reverse. It's going to significantly increase the  
17 number of broker fee rental listings in New York  
18 City. Whoever hires the broker must pay the broker.  
19 This is the core language of the bill. And when  
20 Councilman Oseé came up with this catch phrase, he  
21 mistakenly thought that most rental deals were done  
22 by hired brokers. The opposite. The opposite is  
23 true.

24 My colleagues and I here estimate that around 75%  
25 of all rental listings in the city right now are open

2 listings. That means the renter, according to the  
3 language of this bill, the renter would be forced --  
4 I hear the word forced a lot today -- In 75%  
5 situations, the renter would be forced to pay the  
6 broker fee, which is the high majority of all deals.  
7 So, around three quarters of the market would lose  
8 the option to pay the broker fee.

9 Right now the system works, because the owners of  
10 these open listing rentals can ebb and flow with the  
11 market. They can pay the broker fee when they want  
12 to in the slow winter months, or if an apartment is  
13 not renting, they can pay the broker fee. They have  
14 that option.

15 This bill would take away that option, and it  
16 would-- land-- it would become illegal for these  
17 open-listing landlords to pay their broker because  
18 they haven't hired him or her, and it would force the  
19 renters to pay the broker. This bill is going to  
20 work backwards.

21 And then let's cut-- let's talk about the other  
22 25% of landlords that do right now hire brokers.  
23 Sorry. But do you guys think they're going to sit  
24 back and just let you force-- let themselves be  
25

2 forced to pay the broker fee? No, they're going to  
3 jump to the other side, add on to that 75%.

4 We anticipate this bill will result in a broker  
5 fee listing market between 85% to 95%. That will  
6 eliminate choice. [TO GALLERY:] Anyone agree with  
7 me?

8 [TO COUNCIL:] I want to talk about one other  
9 point quickly. The woman was sitting there, very  
10 nice, in that seat next to Mr. Ossé. She talked  
11 about, if the-- sometimes renters wouldn't mind  
12 paying a little more rent.

13 [BELL RINGS]

14 And she said--

15 CHAIRPERSON MENIN: Okay. You need to wrap up  
16 please.

17 [UNKNOWN SPEAKER]: The difference is hundreds of  
18 dollars. A \$3,000 listing, the property is \$3,500,  
19 no fee.

20 CHAIRPERSON MENIN: Okay. Thank you. You've got  
21 to wrap up. Thank you. Okay, next speaker, please.

22 MR. RICCIOTTI: Hey everyone. My name is Bruno  
23 Ricciotti. I'm the owner and co-founder of BOND New  
24 York. Each regulation our industry has been subject  
25 to has yielded awful unintended consequences. For

2 example, caps on security deposits did not and do not  
3 protect tenants, but rather make it nearly impossible  
4 for less-qualified applicants to secure an apartment  
5 at all. Embarrassingly, this law created a cottage  
6 industry where tenants now pay additional fees, as  
7 high as a month's rent, to an insurance company to do  
8 the exact same thing that the law prohibits.

9 Limits on capital improvements to make rent  
10 stabilized apartments habitable resulted in tens of  
11 thousands of these apartments being warehoused  
12 offline and unavailable to the public, all during a  
13 homelessness crisis where tens of thousands of New  
14 Yorkers do not have homes.

15 In this same time period, New York has  
16 experienced the sharpest increase in apartment rents  
17 in history, with an average of nearly 30%, with some  
18 rents nearly doubling in some neighborhoods.  
19 Unlikely a coincidence and more likely, a causal  
20 connection.

21 This is the recent legislative track record. No-  
22 fee apartments are where the broker fee is included  
23 in the rent, paid up front by the landlord. With all  
24 other factors the same these rents are higher than  
25 the rents with tenant paid fees. That's why over

2 half of the landlords choose to offer their  
3 apartments this way without any mandate. These  
4 landlords do this to achieve the highest rents  
5 possible to satisfy their banks and investors.  
6 Landlords who don't pay agent commissions are usually  
7 mom and pops, who tend to be more interested in  
8 keeping tenants, who plan to stay for several years  
9 and prioritize community over the bottom line. These  
10 are the best landlords a tenant can wish for but of  
11 the very landlords who would suffer if Intro 360 were  
12 to pass.

13 Commissions on tenant fee, apartments could be  
14 negotiated and are attached to units with lower  
15 rents. If this were not the case, no one would ever  
16 choose to rent a tenant-fee apartment. Councilman  
17 Chi demonstratively does not understand this.

18 We currently have a rental market full of choice  
19 and diversity. No one is forced to pay a broker fee  
20 up front. On StreetEasy today, there are 14,000  
21 apartments available for rent, 54% of those are  
22 offered no fee to the renter. The number is higher--

23 [BELL RINGS]

24 CHAIRPERSON MENIN: Please wrap it up.

2 -- and even higher in more normal economies.

3 Nearly 100% listed--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Okay. I'm going to ask you  
6 again. You can submit your written testimony. We do  
7 read that. So please, if you could submit your  
8 written testimony, thank you very much.

9 MR. RICCIOTTI: Thank you.

10 CHAIRPERSON MENIN: Next speaker, please. Thank  
11 you.

12 MS RYAN: Hi. My name is Mackenzie Ryan. I'm  
13 born and raised in Manhattan and been an agent for 15  
14 years. I began working in real estate when I was in  
15 high school in the midst of the 2008 financial crisis  
16 that I could earn money for my upcoming college  
17 tuition. I posted ads on Craigslist. Climbed six-  
18 story walk ups on sweltering summer days, and many  
19 days, I walked home to West 98th Street from Alphabet  
20 City to save whatever money I earned.

21 I graduated college in 2014 and have just paid  
22 off my student loans from rental income and rental  
23 deals that I did last March.

24 I'm a pragmatic and realistic person and at  
25 heart, a deal maker. So, today, I would like to

2 discuss the reality of this rather vague deal and as  
3 black and white of terms as possible by focusing on  
4 three key components, the renters, the landlords, and  
5 the agents, which, at the end of the day, can  
6 ultimately be categorized as working New Yorkers.

7 Let's start with the landlords. We need to focus  
8 on smaller landlords who have razor-thin margins and  
9 use the majority of their building's income to  
10 maintain and renovate the building. While many  
11 landlords already pay the fee, what happens to those  
12 that can't afford it? What happens to showing  
13 apartments to landlords who live miles away and are  
14 out of state?

15 The reality is, while the landlord is the one who  
16 hires us, we do 90% of the work for the tenant. When  
17 you leave the office at 6 p.m. and need a 6:30  
18 showing, we are the ones who show up. When you need  
19 to measure the apartment for the third time to make  
20 sure your couch fits, we are the ones who show up.  
21 When you have 20 questions about the lease, we are  
22 the ones who walk you through it. We do the work for  
23 the tenants just as much as we do for the landlords.  
24 If a landlord becomes responsible for this process,  
25 this will-- the outcome will be less access to



2 apartments and even less inventory and the renter  
3 loses.

4 Now for the agents, having read Council's  
5 platforms, almost all of you here today promise the  
6 people of your district more jobs and more  
7 affordability. This bill is a direct contradiction  
8 of both. More than 70% of agents in New York are  
9 renters, but more than that, they are single parents,  
10 heads of their households, and graduates coming into  
11 the economy.

12 Lastly, for renters, having read all 141 words of  
13 this bill, not a single one of these--

14 [BELL RINGS]

15 CHAIRPERSON MENIN: Okay. I'm going to ask you  
16 to wrap up.

17 MS. RYAN: Yup. My last sentence: Not a single  
18 one of these words is development or rezoning.

19 CHAIRPERSON MENIN: Okay. Thank you. And next  
20 speaker, please.

21 [UNKNOWN SPEAKER]: Good afternoon everyone. We  
22 can all agree that New York City desperately needs  
23 more affordable housing. However, the proposed bill  
24 is like putting a band aid on a broken leg. First  
25 off, the language is way too vague for real world

2 interpretation, which alone should render it null and  
3 void.

4 For instance, the bill states, if you hire a  
5 broker, you pay the broker. It's so simple, but it  
6 really raises several questions: Can a broker be  
7 hired by both a landlord and a tenant? What  
8 constitutes the act of hiring? Will the city draft a  
9 specific contract? And what will that contract look  
10 like? There are too many unknowns to pass  
11 legislation this ambiguous.

12 The FARE Act creates the image of consumer  
13 protection, helping the little guy, when in reality,  
14 all it does is restrict and remove consumer choice.  
15 Like we mentioned, half of all listings on StreetEasy  
16 are already no-broker fee. If you can't find  
17 something in your price range, this is a  
18 macroeconomic problem that requires careful nuanced  
19 solutions.

20 Broker fees like prices fluctuate on market  
21 conditions. This act is the beginning of a top-down  
22 government controlled housing system similar to price  
23 controls. Such artificial manipulation of the market  
24 will lead to higher rent prices. Any reputable

2 economist will tell you that this type of legislation  
3 has the opposite effect of its intended purposes.

4 Chi talked about basic economics, 101, I think we  
5 need to go back and take that course again. Policy  
6 needs to be analyzed in terms of the consequences  
7 they create, rather than the hopes that inspire them.  
8 This issue of price affordability boils down to  
9 supply and demand. If we want landlords to pay more  
10 fees and provide affordable housing, the solution is  
11 not a quick fix. It requires the hard, deliberate  
12 work of incentivizing construction and changes in  
13 zoning regulations and programs encouraging more  
14 building.

15 This is not a common sense bill. This is a  
16 nonsense bill. Thank you.

17 CHAIRPERSON MENIN: Okay, thank you to this  
18 panel. We are now going to move on to the next  
19 panel. Thank you.

20 [UNKNOWN SPEAKER:] Mr. Ossé, no questions for  
21 all of that?

22 CHAIRPERSON MENIN: Excuse me--

23 COUNCILMEMBER OSSÉ: No. I already responded to  
24 some of your-- your talking points that I disagree  
25 with, but no questions for this panel.

2 [UNKNOWN SPEAKER:] I'd like to discuss.

3 CHAIRPERSON MENIN: Okay, thank you to the panel.

4 We're now-- We're now going to call the next panel.

5 So Gladys Kachinaya. And we need the interpreter,

6 please, has been requested. If the interpreter

7 could, please come back. Gali Davar, Achusa

8 Mazafari, Shasta Spicer, and Judith Goldiner. If you

9 could all please come up. Thank you.

10 Okay. Are the other panelists here?

11 [UNKNOWN SPEAKER:] I know that Achusa had to

12 leave because she works with me.

13 CHAIRPERSON MENIN: Okay. Achusa-- Okay, okay.

14 Let's take that. Okay. Okay, please begin. Thank

15 you.

16 MS. GOLDINER: Hi. My name is Judith Goldiner.

17 I'm the attorney in charge of the Civil Law Reform

18 unit at the Legal Aid Society, and I'm speaking in

19 favor of the FARE Act, which Legal Aid strongly

20 supports.

21 I want to speak particularly about low income

22 renters who find the combination of security deposit,

23 first month's rent, and broker fee basically

24 impossible to overcome, and we see that especially

25 with our clients who have either CityFHEPS or Section

2 8, because even if they can get assistance from HRA,  
3 HRA will only pay half of the normal broker fee, and  
4 that means that is-- the brokers will just not work  
5 with our very-low-income clients.

6 The main issue here, for-- from our perspective,  
7 is our clients and my colleagues, experience with  
8 brokers is that the brokers-- it's not that the  
9 brokers don't do work. They work for the landlords.  
10 They screen tenants, they do background checks, they  
11 look at guarantors, they gather information about the  
12 tenants, but that is not a service to the tenants.  
13 It's a service to the landlord.

14 Our only substantive comment on the bill is we  
15 actually think what the bill should say very clearly  
16 is that landlords pay. That what we're-- What we are  
17 concerned about is that, given this market, and given  
18 how little choice tenants have, if you say that the  
19 person who hires the broker has to pay, that brokers  
20 will just, as they do now, make tenants sign  
21 agreements saying that they're going to-- that they  
22 agree that they are the one hiring the broker and  
23 they have to pay. And we feel very strongly that  
24 it's the landlord who's getting the benefit of the

2 broker's experience, and the landlord is the one that  
3 should pay.

4 Almost out of time. I really appreciate the  
5 council and the leadership of Councilmember Ossé, and  
6 we strongly support this bill. Thank you very much.

7 CHAIRPERSON MENIN: Okay, next speaker, please.

8 MS. DAVAR: Hi. Good afternoon. My name is Gali  
9 Davar. I am a legal intern at Mobilization For  
10 Justice. Mobilization for Justice envisions a  
11 society in which there is equal justice for all. Our  
12 mission is to achieve social justice, prioritizing  
13 the needs of people who are low income,  
14 disenfranchised, or have disabilities. We thank The  
15 Committee for holding this hearing and considering  
16 our testimony. Broker fees making NYC rental housing  
17 unaffordable before renters even step foot inside.  
18 The FARE Act is a step in the right direction to  
19 lower upfront costs and alleviate the housing  
20 affordability crisis so renters can move when and  
21 where they want.

22 MFJ's clients have experienced the difficulties  
23 of broker fees first hand. For example, AL, a mother  
24 of three in the Bronx, had to move after having a

2 baby to a home more appropriate for her growing  
3 family.

4 Even after obtaining government assistance to pay  
5 for half the broker fee, she still needed \$1,700 to  
6 pay the balance, which put her ability to move at  
7 risk without the assistance of MFJ.

8 Jean M., a senior citizen on Social Security, had  
9 to move when her lease expired. Even after she was  
10 awarded a rent subsidy, the cost of broker fees was a  
11 major barrier to moving, even as she faced eviction  
12 and feared becoming homeless.

13 Many renters need to move for all kinds of urgent  
14 reasons, like fleeing domestic violence or escaping  
15 poor housing conditions, but broker fees contribute  
16 to burdensome upfront moving costs that keep renters  
17 locked into current apartments. Typical broker fees  
18 are 12% to 15% of the annual rent, amounting to  
19 thousands of dollars. Only 22% of New Yorkers can  
20 afford these costs out-of-pocket.

21 For nearly three quarters of renters, high  
22 upfront costs negatively affected their move,  
23 impacting what homes they could afford, their desire  
24 to move, or their ability to move.

2 Further, broker fees disproportionately burden  
3 low-income New Yorkers. Affordable and rent  
4 regulated apartments are more likely to charge a  
5 broker fee. When vacancy rates for affordable  
6 apartments are below 1% then the choices are few and  
7 far between, so those most economically disadvantaged  
8 are the most exploited.

9 We urge the city to take this sensible measure to  
10 reduce upfront costs, modernize the city's rental  
11 market and improve housing mobility and accessibility  
12 for vulnerable tenants.

13 [BELL RINGS]

14 CHAIRPERSON MENIN: Okay. Please wrap it up.

15 MS. DAVAR: Thank you.

16 CHAIRPERSON MENIN: Thank you. Thank you very  
17 much. And next speaker.

18 MS. SPICER: Thank you. My name is Shasta  
19 Spicer. I'm speaking on behalf of a tenant. I'm a  
20 member of the Met Council. Thank you, Councilmember  
21 Ossé, for calling this meeting and allowing the  
22 public to speak. I appreciate your time today.

23 It's very unfortunate that the Administration who  
24 was supposed to be here to provide valuable data for  
25 us to properly inform, and to gain insight into their



2 position so that we can come to an honorable  
3 agreement, is unacceptable and disrespectful to  
4 everyone, especially to the renters who are deeply  
5 affected by this housing crisis, in which the FARE  
6 Act bill would greatly alleviate the burden upon them  
7 during a time of need for housing.

8 There is an imbalance already in our economy, and  
9 the fact alone is proof that everyone is at a loss  
10 somewhere. Obviously, people cannot follow  
11 directions. It is clear by the people who are absent  
12 and the people making noise when asked not to. This  
13 discussion is very juvenile, in my opinion, because  
14 the hiring of the brokers should be left to the ones  
15 doing the hiring.

16 We can sit here and talk about rents going up, et  
17 cetera, but the housing crisis is the most important  
18 because there are people's lives at stake by finding  
19 housing that is affordable and also safe. And what I  
20 mean by affordable is in regards to the amount of  
21 income one is making. What I mean by safe, is that  
22 tenants are not being scammed and taken advantage of  
23 during a vulnerable time of life, such as moving or  
24 finding a place to live.

2 I see one thing happening here, and that is  
3 brokers and landlords trying to find loopholes in  
4 which they can prevent their own loss of their  
5 financial standing when they are clearly in a  
6 position to show care and common decency toward the  
7 people they want services from. Getting rent from  
8 tenant is us providing a service, let's be clear.

9 The economy is shifting, and so everyone needs  
10 are different. And since we are in a crisis,  
11 everyone has got to be open to facing challenges in a  
12 way that addresses the needs of the crisis and not  
13 the needs of people's pockets, because everyone is  
14 losing. Thank you.

15 CHAIRPERSON MENIN: Thank you very much. Okay--

16 COUNCILMEMBER OSSÉ: I just have a question for  
17 Judith. Have any of your clients, or any clients of  
18 yours been impacted by the broker fee that you have  
19 represented?

20 MS. GOLDINER: So many of our clients like-- have  
21 stories like MFJ's clients. You know, they-- they  
22 think they've won the lottery because they have a  
23 Section 8 voucher, or they were finally able to get a  
24 CityFHEPS voucher, and they think that's going to  
25 allow them to move. And when they see what the

2 broker fee costs are, they know that there is no way  
3 they're going to move. And we--

4 [BACKGROUND VOICES]

5 COUNCILMEMBER OSSÉ: That's really respectful.

6 MS. GOLDINER: We certainly see that, you know--  
7 and you know, HRA will only cover for some people.  
8 And if they cover anything, it's about half the  
9 broker fee. So, it's a significant burden on people.  
10 We see people paying under the table for these fees,  
11 because it's the only way they can do it, begging,  
12 borrowing, putting themselves and their families at  
13 risk, because that's the only way they can obtain an  
14 apartment. And it's really very problematic.

15 I would-- I also want to add that during COVID,  
16 landlords paid the broker fee, and once again, the  
17 market didn't crash, didn't come to an end, and  
18 there's no reason we can't have a system where the  
19 landlord pays.

20 CHAIRPERSON MENIN: Okay. I just want to say  
21 something. To be clear, everyone has their two  
22 minutes. If you disagree with the speaker, you are  
23 going to get your two minutes to voice your  
24 disagreement, but shouting out or saying something

2 while someone is speaking is not tolerated during our  
3 proceedings. Thank you.

4 COUNCILMEMBER OSSÉ: The second question I have  
5 for you is: Real estate transactions can be a  
6 contractual deal, and hiring a service, like hiring  
7 brokers can involve a contract. From a legal  
8 standpoint, do you feel that everyday-- everyday New  
9 Yorkers, such as the folks you represent, are fully  
10 equipped to negotiate down a broker fee?

11 MS. GOLDINER: Of course not. I thought the  
12 whole "choice discussion" with prior panels was  
13 farcical. The idea that the average person-- not to--  
14 - You know, certainly my clients are not in a  
15 position to negotiate that at all. And for almost  
16 every tenant that I talk to, rich or poor, they are  
17 told, "This is the deal. Take it or leave it."  
18 These are contracts of adhesion. They don't have  
19 options. And the idea that you can negotiate in this  
20 market is simply ridiculous to me.

21 COUNCILMEMBER OSSÉ: I remember in one of our  
22 past conversations about this, you've spoken about  
23 the broker fee being a valuable service, or it has  
24 been, or the broker being a valuable service that  
25

2 they provide to tenants. How has that changed over  
3 the past couple of years, would you say?

4 MS. GOLDINER: I mean-- I think what we talked  
5 about is that the brokers are mainly a valuable  
6 service to landlords, and we-- I totally understand  
7 why it's a service that a landlord might want to use,  
8 so that they don't have to screen tenants themselves,  
9 they don't have to do that work. I completely  
10 understand that. There is a certain number of  
11 extremely wealthy tenants, who do not live in New  
12 York, who may want to use a broker to go find them an  
13 apartment when they don't live here. That is a  
14 minuscule number of the people in New York who are  
15 trying to find apartments. And frankly, I don't  
16 think that's the group that we really need to worry  
17 about. They will find what they need.

18 What we need to worry about is the everyday New  
19 Yorkers, here every day, who need to find apartments.  
20 And we need to make sure that that upfront cost is  
21 not so ridiculous.

22 COUNCILMEMBER OSSÉ: Thank you, and thank you  
23 Chair.

24 CHAIRPERSON MENIN: Thank you very much. Okay,  
25 thank you to the panel. We're now going to move on

2 to the next panel, Iris Corcos, Nancy Elton,  
3 Christina Cremidas, Lynn Gregg, and Barbara Ann  
4 Rogers. Please come up. Thank you.

5 Please begin. Thank you, sure. Just yeah, press  
6 the button so the red light is on. Thank you.

7 [UNKNOWN SPEAKER]: Okay, so first of all, I  
8 wanted to-- to mention that I am an everyday New  
9 Yorker. I am also a person who's renting, who's  
10 who's working here. So, just like everybody else who  
11 was speaking before about the every-- everyday New  
12 Yorkers, they were actually speaking about me as  
13 well.

14 And I had a whole different speech, but I'm going  
15 to tweak it, because my colleagues already said most  
16 of it, so there's no point in repeating. But I do  
17 want to point out that when Mr. Keith powers  
18 sponsored the bill in 2019 about limiting-- limiting  
19 how much landlords can charge for security, actually  
20 it caused a whole big problem afterwards, because  
21 people that don't qualify, like people that don't  
22 earn enough money, people that don't have good  
23 credit, international students, international  
24 employees that come working to work for Bloomberg but  
25 have zero credit history, cannot rent.

2 What does that do? They have to take-- And they  
3 don't have personal guarantors. They have to hire  
4 third-party guarantors. That's-- They have to  
5 resign for with third-party guarantors every time  
6 they renew. Every time they renew their lease, they  
7 have to sign for that, and it could be just as much  
8 as the apartment itself.

9 So, when-- If they would be charged three months  
10 or four months security deposit, they would get that  
11 money back. And many of them did after one year of  
12 living in the in the building, landlords refunded  
13 some portion of it. That's not the case with third-  
14 party guarantors. Right now, I'm working with two  
15 students of minority origin that they work, they  
16 full-- they go to school full time. They ran out of  
17 money. They ran out of money because to resign for a  
18 rent-stabilized department. They had to pay the  
19 guarantors again. And I received-- Now they are  
20 facing-- they're late on the rent. Guess who's  
21 helping them? The broker.

22 [BELL RINGS]

23 CHAIRPERSON MENIN: Okay. Thank you.

24 [UNKNOWN SPEAKER]: I want you just to mention  
25 one more thing, if you if you'll allow me.

2 CHAIRPERSON MENIN: Yeah. Please, we again--

3 [UNKNOWN SPEAKER]: A short sentence.

4 CHAIRPERSON MENIN: Again, we have to run an  
5 additional hearing. We treat everyone exactly the  
6 same.

7 [UNKNOWN SPEAKER]: I just want to point out  
8 something very important.

9 CHAIRPERSON MENIN: Just if you could please  
10 submit your testimony. Again, we need to stick to  
11 the two minutes. Okay.

12 [UNKNOWN SPEAKER]: Can I just say one more  
13 thing?

14 CHAIRPERSON MENIN: I'm sure if there are  
15 questions, you could. But again, we're going to do  
16 two minutes per speaker. Okay? If we could have the  
17 next speaker, please. Thank you.

18 MS. KREMIDAS: Hello. My name is Christina  
19 Kremidas. I'm an Associate Broker at Douglas Elliman  
20 Real Estate. I've been a real estate professional  
21 for nearly a decade, and I first-hand saw the New  
22 York City housing crisis, which always has been in  
23 existence, get majorly exacerbated in the past few  
24 years following the pandemic.



2 When the 2020 pandemic drove a lot of renters out  
3 of New York City, apartments were vacant. The people  
4 who actually capitalized on vacant apartments and  
5 took these units for slashed prices were  
6 surprisingly, out-of-state people who had never  
7 previously lived in New York City. These people were  
8 well-employed, and they could finally have their  
9 dream of a luxury pied-a-terre, luxury lifestyle  
10 pied-a-terre in Manhattan. They could finally  
11 justify it. They couldn't before.

12 We all thought that these people would move out  
13 once rent returned to market price. They  
14 surprisingly renewed. They're still here, and they  
15 have tied up inventory for New Yorkers who need it.

16 In addition, buyers who are supposed to be ready  
17 to buy by now, due to a very difficult economic  
18 situation with rampant inflation and high interest  
19 rates, can't buy. They are still renting. These  
20 first-time home buyers are still stuck in rentals.  
21 There is no inventory to go around. And I know that  
22 there was already a conversation about the fact that  
23 this is a inventory shortage of apartments, and I  
24 know that there was already a response that this is  
25 difficult to solve. It takes time to solve. But

2 just in my few-block vicinity where I live, there are  
3 lots that went from empty to 100 story skyscrapers  
4 with luxury finishes that were imported from Europe  
5 in just a couple of years.

6 So, I think that building can be possible with  
7 the right incentives. And why-- why is it so slow to  
8 create this new housing? But now we are in the worst  
9 crisis because of the prior two scenarios that I just  
10 mentioned. We have-- This has bubbled up to the  
11 surface as the worst crisis that we've had in  
12 inventory since 1968. When there's a balance between  
13 supply of units and demands for apartments, there is  
14 a much more balanced playing field where landlords  
15 offer incentives to tenants.

16 [BELL RINGS]

17 CHAIRPERSON MENIN: Okay. Thank you. Thank you  
18 very much. Okay, next speaker, please. Thank you.

19 MS. ELTON: Hello. My name is Nancy Elton. I'm  
20 a real estate professional with BOND New York and a  
21 resident of District 2. The last time I had the  
22 privilege of testifying in this chamber, I learned a  
23 new phrase, "rent burdened." According to the US  
24 Department of Housing and Urban Development, or HUD,  
25 "rent burdened" is defined as paying more than 30%

2 monthly gross income in gross monthly rent. Severely  
3 rent burdened more than 50%. [TO GALLERY:] By a show  
4 of hands, how many in this chamber are rent burdened?

5 [TO COUNCIL:] Okay, one thing we know is for  
6 certain, is that there is more that we agree about  
7 than we disagree. Rent is too high. As a native New  
8 Yorker such as myself, rent has become a nightmare.  
9 We must set the tide of our housing crisis, where in  
10 only one week, over 630,000 applications were  
11 submitted to the New York City Housing Authority for  
12 Section 8 housing assistance.

13 Number two: Vacancy rate is extremely low, not  
14 going to go through it and belabor it, but housing is  
15 being warehoused, and right now we're seeing bidding  
16 wars where rental rates of already overpriced  
17 departments are having bidding wars, outpacing many  
18 consumers' ability to afford them.

19 Number three: Transparency benefits the  
20 consumer. When we advertise for landlords, we  
21 provide transparency and readily available resources  
22 to provide information. Let's not create a scenario  
23 where landlords permanently bake fees into monthly  
24 rent, with higher rent becoming the foundational  
25

2 rent, and tenants end up paying for the fee over and  
3 over and over again every year.

4 Number four: Our most vulnerable need a housing  
5 solution that works. I spoke with a caseworker on  
6 Friday where we agreed and vented with each other  
7 that the system is broken. Everyone is justifiably  
8 frustrated -- caseworkers, landlords, agents, and  
9 most importantly, the human being, the fellow New  
10 Yorker that just wants a home.

11 For months, I've been scratching my head trying  
12 to figure out just what the prime sponsor intends  
13 with the proposed amendment. Only two lines. Sounds  
14 reasonable. The sponsor even created that catchy  
15 acronym.

16 [BELL RINGS] But as you've heard today, there is  
17 far more nuance--

18 CHAIRPERSON MENIN: Okay. Thank you. If you  
19 want to submit-- you need to wrap up.

20 MS. ELTON: --and I urge you do not be led by  
21 this deceptively simple, or simply deceptive  
22 proposal.

23 CHAIRPERSON MENIN: Okay, next speaker.

24 MS. ROGERS: Good afternoon. I'm Barbara Ann  
25 Rogers. I'm an Associate Broker with Compass. I've

2 been in real estate for almost 20 years now. I live  
3 in Brooklyn where I also do most of my work. I have  
4 lived in Brooklyn for 30 years.

5 Yes, I have seen neighborhoods change. I have  
6 seen my neighbors forced to move because they  
7 couldn't afford the rent. Broker's fees are the  
8 least of New Yorkers problems. It's not the broker's  
9 fee that's keeping people from being able to live  
10 where they want to. It's the rents in general.

11 Intro 360 will only increase these rents further  
12 by pushing those fees to be added to rent, as we've  
13 seen. And as people have said, Oh, but rent  
14 stabilized apartments, they can't do that. Well,  
15 that amount of rent stabilized increase is set every  
16 year, as everyone knows by the rent guidelines board.  
17 Don't you think if this passes that those rent  
18 stabilized landlords will now have additional  
19 ammunition to get an even higher rent increase,  
20 because they're now paying brokers fees? And that is  
21 going to apply to each and every rent-regulated  
22 tenant, whether they are moving or not.

23 This unfortunate bill is not going to have the  
24 effect it seeks. And I would also state that I don't  
25 care who said it: Brokers do way more than just open

2 doors. The amount of service I provide to my clients  
3 is extreme. Yes, the renters: They may not have  
4 hired me, but I am giving them service, and that goes  
5 from helping them with their applications, to  
6 advising them on how to handle the move, and yes to  
7 negotiating commissions. I do negotiate commissions,  
8 and I mostly do negotiate them downward.

9 So, this bill, unfortunately, well-intentioned  
10 though it may be, will have the exact opposite  
11 effect. Thank you very much.

12 CHAIRPERSON MENIN: Thank you. And we have one  
13 more-- You are on the panel, sir. Your name is...?  
14 Sorry, I can't hear.

15 MR. LYNN: My name is Greg Lynn.

16 CHAIRPERSON MENIN: Oh, okay. Please proceed.  
17 Thank you.

18 MR. LYNN: Sure. So, good afternoon. Happy  
19 Pride for those of you that are actually celebrating  
20 it, to you Chi. My name is Greg Lynn. I am a 20-  
21 year resident and neighbor of Hell's Kitchen and CB-4  
22 constituent.

23 Unlike most of the people in my industry, the  
24 intro is marked-- Sorry, let me rephrase. The Intro  
25 360 is marketed to be an easy and no-brainer solution

2 to the community and growing affordable housing  
3 crisis. However, the bill is detrimental. There are  
4 over 20,000 real estate licensed agents in New York,  
5 as you, Chair Menin, mentioned earlier.

6 I've listened over and over to all the comments  
7 that you've asked and all the questions. I am  
8 frustrated as well. We are in a system that is  
9 broken. We are in an affordable housing crisis. But  
10 the individuals that are-- you are attacking right  
11 now, the residential agents that are here, that are  
12 validating, are the good ones. Our industry is  
13 flawed.

14 I came from regulatory and compliance for a  
15 Fortune 500 company to help with housing. That is my  
16 job every day. I represent condo owners and Co Op  
17 owners. I tell them fair housing is important. You  
18 cannot deny housing to people because you choose that  
19 you want them to look like this or have this much  
20 money in their bank account. It is not right. We do  
21 more for a tenant than anyone ever understands. We  
22 pick up the phone at 3 a.m. when the refrigerator is  
23 not working, when the air conditioning is not  
24 working, and our clients are in China, okay?

2 We are the face of tenants, and in some cases, we  
3 do get paid up front. And unfortunately, that is the  
4 way in which it is currently, right now, with the  
5 system: A payment program across over a period of  
6 time? Brokers would be happy for to do, if that's  
7 necessary, if that's allowable from a firm.

8 I think again, co-ops and condos should not be  
9 included in this bill. If you're referring to  
10 landlords, we can talk again. I want to work this  
11 out. Thank you.

12 CHAIRPERSON MENIN: Okay, thank you to the panel.

13 COUNCILMEMBER OSSÉ: Can I say something?

14 CHAIRPERSON MENIN: Councilmember Ossé?

15 COUNCILMEMBER OSSÉ: Yeah. Just-- Just for the  
16 record again. You know, I-- I appreciate the work  
17 that that some brokers do, all right? I think we--  
18 we acknowledge the fact that there are-- some people  
19 would say some bad apples, but I would say that  
20 there's a decent amount of bad apples out there, as  
21 I've heard from my constituents and many people who  
22 have spoken.

23 And the intention of this bill is to not put good  
24 brokers out of business. And I believe that those  
25 good brokers that have a great client base, that have



2 worked well within their decades of service, will  
3 still be hired after the passing of this bill.  
4 People will understand that they provide that  
5 valuable service that we are talking about today. I  
6 believe that this bill would weed out those who take  
7 advantage of folks who are looking for housing.

8 MS. KREMIDAS: Can I just say that we would  
9 welcome legislation that focused on weeding out bad  
10 apples?

11 COUNCILMEMBER OSSÉ: This is what this  
12 legislation is. So, I believe that the work that you  
13 do--

14 MS. KREMIDAS: No. I doesn't weed out bad  
15 apples.

16 MS. ROGERS: It's a blanket--

17 COUNCILMEMBER OSSÉ: If your work is valuable--  
18 I believe that if your work is valuable, your clients  
19 acknowledge that and will still hire you after this  
20 bill is passed.

21 MS. KREMIDAS: It's a blanket--

22 COUNCILMEMBER OSSÉ: They just won't be forced to  
23 pay the fee.

24 MS. KREMIDAS: May I please say something that  
25 hasn't been directly addressed?

2 COUNCILMEMBER OSSÉ: Thank you.

3 MS. KREMIDAS: There-- The landlords that will  
4 pay their brokers and continue to pay is not the--  
5 are not the landlords that are the issue here that is  
6 creating the problem. These--

7 CHAIRPERSON MENIN: Okay.

8 MS. KREMIDAS: These-- These landlords--

9 CHAIRPERSON MENIN: Thank you.

10 MS. KREMIDAS: They will discriminate if they  
11 don't have a third-party--

12 CHAIRPERSON MENIN: Councilmember Ossé directed a  
13 question--

14 MS. KREMIDAS: --advocate in between the tenant  
15 and the landlord. Unconscious bias very much exists.  
16 These are also people that don't want to--

17 CHAIRPERSON MENIN: Okay. Just to be clear.  
18 There's rules around question and answer. So,  
19 Councilmember Ossé asked a question which was  
20 answered, that we--

21 COUNCILMEMBER OSSÉ: I didn't ask-- I didn't ask  
22 a question.

23 CHAIRPERSON MENIN: You didn't ask?

24 COUNCILMEMBER OSSÉ: No.

25

2 CHAIRPERSON MENIN: Okay. Okay. All right.  
3 Thank you very much to the panel.

4 [UNKNOWN SPEAKER]: We also tip the servers in  
5 the restaurant. We're not the ones hiring them.

6 CHAIRPERSON MENIN: Thank you. Thank you to the  
7 panel. We are going to go on to the next panel.

8 [UNKNOWN SPEAKER]: Will other members be joining  
9 us to answer questions as well?

10 CHAIRPERSON MENIN: I'm sorry. We're moving on  
11 to the next panel. We're moving on to the next-- I  
12 did not hear actually what you said, but we're going  
13 to move on to the next panel.

14 We've got a zoom panel. Ashley Chen, Mark  
15 Burnett, and Ajitfanta Marena, and Alexandra  
16 Martinez. Thank you.

17 SERGEANT AT ARMS: Time has started.

18 MS. CHEN: Thank you, Chair Menin and members of  
19 the City Council for the opportunity to testify. My  
20 name is Ashley Chen, and I'm the Policy Analyst at  
21 the Chinese American Planning Council, CPC.

22 CPC is the largest Asian-American social service  
23 organization the US providing vital resources to more  
24 than 80,000 people per year in all five boroughs  
25 through more than 50 programs at over 30 sites.

2 CPC strongly supports the Fairness in Apartment  
3 Rentals Act, FARE, which would require the party who  
4 hired the broker to pay the broker fee.

5 CPC serves a large immigrant population, and it  
6 is crucial that we acknowledge that immigrant New  
7 Yorkers face disproportionate housing barriers.

8 During the COVID 19 pandemic, we surveyed over 1000

9 AAPI New Yorkers, and we found that 26% of

10 respondents needed help with housing, and 26% needed

11 help with utility bills. However, this was an issue

12 even before the COVID 19 pandemic, with immigrants

13 more likely to be increasingly rent burdened, live in

14 overcrowded spaces and live in substandard conditions

15 that don't receive regular maintenance.

16 However, even when our community members find

17 housing that is suitable for them, they are subjected

18 to astronomical and unfair brokers fees. It is

19 unconscionable in one of the wealthiest cities in the

20 world that we're continuing to prey on low-income and

21 working class families, and the affordability crisis

22 is driving New Yorkers out of the city.

23 The Fiscal Policy Institute recently reported

24 that households with young children are 40% more

25 likely to leave our state and two times as more

2 likely to move out of New York City. This is due to  
3 the high cost of living, especially with the  
4 Administration's cuts to childcare and increasing  
5 housing costs.

6 In order to address the housing affordability  
7 crisis and empower working class New Yorkers, we need  
8 to immediately pass the FARE Act.

9 We thank you for the opportunity to testify, and  
10 for the Councilmember Ossé's leadership, and we look  
11 forward to working with The Council to ensure the  
12 passage of this bill.

13 Thank you for your time.

14 SERGEANT AT ARMS: Time has started.

15 CHAIRPERSON MENIN: Next speaker, please?

16 [inaudible]

17 CHAIRPERSON MENIN: Yes, please go ahead. Thank  
18 you.

19 MS. MARTINEZ: Okay. Perfect. Hi everyone. My  
20 name is Alexandra Martinez. I am a Project Manager  
21 for the New York City Economic Development  
22 Corporation, and I came here to state that I'm in  
23 full support of the FARE Act. I have heard  
24 continuous testimonies today stating that over 50% of  
25 the no-fee apartments listed are actually no fee, and

2 that we are able-- we have choice as a tenant,  
3 because we are able to negotiate. And at least I  
4 feel like that was painfully clear, that that's a lie  
5 based off my experience. I have been in search of a  
6 two-bedroom apartment with my roommate, an elementary  
7 school teacher. We are blessed enough to be middle  
8 income, which I feel like is important to state. And  
9 during this search, we found a no fee apartment on  
10 StreetEasy. As we arrived, there were 20 other  
11 visitors there. We met an agent, and we-- the agent  
12 told us that we needed to put down \$1,000 deposit for  
13 good faith that goes toward a security deposit. We  
14 talked to him. We gave a deposit that same day,  
15 because, as anyone knows, I think someone said  
16 earlier, that is like The Hunger Games. The Hunger  
17 Games is probably like a kids show compared to what  
18 New York City is like.

19 And well, we did that. We came-- The broker--  
20 The broker told us that there is actually a broker's  
21 fee after we handed our non-refundable \$1,000. So we  
22 felt pressured to proceed, and we were scrambling to  
23 pay for a service we never requested.

24 And on top of this, we were then approached with  
25 an application fee, a listing fee, a leasing fee,

2 wiring fees to send that money, which pushed our  
3 moving cost to almost \$8,500. She's an elementary  
4 school teacher. I'm a New Project Manager, and it  
5 wasn't the fact that it was just expensive. It felt  
6 predatory, and exploiting our lack of knowledge.

7 Again, a lot of the agents that spoke today  
8 stated that, "Well, there's rules and regulations  
9 around this," and that we should have known. We did  
10 not know, okay? We saw the apartment that we liked,  
11 and we went for it.

12 The current system is clearly broken. A lot of  
13 these-- a lot of these listings are misleading and we  
14 have no power to negotiate. And this--

15 SERGEANT AT ARMS: Time is expired. Thank you.

16 COMMITTEE COUNSEL: There's one more.

17 CHAIRPERSON MENIN: Okay. Sorry. There's one  
18 more speaker on the Zoom panel.

19 SERGEANT AT ARMS: Your time has started.

20 MR. BURNETT: Thank you City Council and  
21 Councilmember Ossé for sponsoring and popularizing  
22 this bill. My name is Mark Burnett, and I'm a  
23 lifetime resident of New York, hailing originally  
24 from Jamaica Queens. I now live in Brooklyn, having  
25 moved twice in the past six years, and I can attest

2 that the FARE Act would have made those experiences  
3 those experiences far easier for me.

4 One example is at the outset of the application  
5 process for my current apartment in Weeksville,  
6 Brooklyn. I was told there would be no brokers fee  
7 for the unit. Once my application was approved, just  
8 a week before I was to leave my last apartment, my  
9 responsibilities were laid out. It was first month's  
10 rent, security deposit, both of which I expected, and  
11 two surprise fees. I was told there'd be a pet  
12 deposit of \$1,200 and a broker's fee equal to one  
13 month of rent at \$2,500 bucks.

14 I was profoundly privileged to be able to afford  
15 those surprises, but they nearly doubled my expenses  
16 at the last minute and caused me to pay the surprise  
17 broker's fee and installments. And I didn't even  
18 have time to think about the recourse for the fact  
19 that the fee was a surprise either. I needed a place  
20 to stay. And this was all before the cost of moving  
21 supplies and utilities.

22 I'm currently looking for a new apartment with my  
23 girlfriend, who's had similar troubles when she first  
24 moved to New York a couple years ago. Her  
25 responsibilities for moving were first and last month



2 of rent, security deposit and a surprise broker's  
3 fee, yet again, bringing her total to a whopping  
4 \$15,000. Worse yet, at her next apartment, she had a  
5 broker's fee held over her head as the only  
6 alternative to a bidding war on rent. But I think  
7 that's a story for another bill.

8 At the very least, we need legislation like the  
9 FARE Act to protect tenants looking to buy their way  
10 into shelter, which we should regard as a human  
11 right. Rent prices are rising, wages on average,  
12 aren't beating out inflation and the cost of living,  
13 and all this spells disaster for renters. This bill  
14 would be just one step towards leveling the playing  
15 field and keeping landlords honest as they seek new  
16 tenants. Thank you all for your time. Thank you  
17 again, Councilmember Ossé, and Free Palestine.

18 CHAIRPERSON MENIN: Okay, thank you very much.  
19 We are now going to call the next panel. Naomi  
20 Alzenki (sorry if I'm-- it's a little hard to read  
21 the writing), Evan Osar, Jed Wilder, Priscilla  
22 Jacobs. Please come forward. Thank you.

23 Okay, thank you. If you could please begin.  
24 Thank you. Okay. Okay, yes. Please begin. Thank  
25 you.

2 MR. WILDER: My name is Jed Wilder. I work at  
3 Living New York as a real estate agent and run a team  
4 in which we represent approximately 1500 units  
5 throughout the city, potentially the largest  
6 portfolio of any agent in the city. I'm not saying  
7 this to brag, but in an informative manner,  
8 utilizing-- by utilizing this large sample size at my  
9 fingertips.

10 I've been in the business since 2012. I have  
11 many landlords that choose to pay the commission, but  
12 only because they're making the smart move for  
13 themselves, as they know they can add 8% to 10% to  
14 the asking rent, and that can be much-- and then it  
15 will be much higher on renewal. This bill is a  
16 detriment to affordability, not helpful.

17 I have a conversation daily with owners about  
18 this, and yesterday, spoke to an owner of a building  
19 on East 81st Street, and this was how the  
20 conversation went: We can get \$4,400 for this  
21 apartment with you paying the fee, or if the tenant  
22 pays the fee \$4,000. Let me know your thoughts. He  
23 chose the \$4,400, 10% higher, and then on a renewal,  
24 that will be 10% higher. Qualifying for apartments  
25 will also become an issue with the higher prices,

2 because it will be harder to beat the 40-times-the-  
3 rent standard criteria.

4 Additionally, my average team member makes about  
5 only \$50,000. I have a family and three kids, and  
6 this is my livelihood. This bill not only has a  
7 negative impact on the affordability of housing, but  
8 will majorly affect the lives of many people like  
9 myself and my team.

10 As opposed to closing your eyes and passing the  
11 bill because you've gotten this far, and have passion  
12 about your work, which I appreciate, I can assure you  
13 that it may be better to-- it will be better to not  
14 pass the bill and look at the details of what's  
15 better or worse for New York City renters. Thank  
16 you.

17 CHAIRPERSON MENIN: Thank you. Next speaker,  
18 please.

19 MR. OSUR: Honorable members of the New York City  
20 Council, I hope you will ask questions like you do  
21 for the panels that support this bill. Thank you for  
22 allowing me to speak today. My name is Evan Osur,  
23 and I'm an Associate Broker and run the largest team  
24 at Living New York. When is enough enough? When  
25 will people focus on the real causes of housing

2 affordability, rather than the politically easy way  
3 out?

4 Scapegoating real estate agents is not the  
5 solution. There are over 30,000 agents in New York  
6 City making less than \$55,000 with no benefits, no  
7 health care, no 401K, no nothing. We are the  
8 definition of the working class, blue collar people,  
9 despite what shows like Million Dollar Listing might  
10 have you believe.

11 The question before us today is not to discuss  
12 whether broker fees are right or wrong, or why New  
13 York City has broker fees and other cities don't.  
14 Keep in mind we are the only city in the country that  
15 doesn't have an MLS. The question is: Will this  
16 bill increase or decrease the cost to renters? It  
17 will certainly increase.

18 Look, I understand on a very basic level, people  
19 might attribute a one-time broker fee to increased  
20 cost of rent. However, the reality is, this bill  
21 will tack on a broker fee every year. It will  
22 continuously renew. For example, an apartment cost  
23 \$3000 with a broker fee. After this bill cost \$3400  
24 with no broker fee, the landlord will bake the broker

2 fee into the cost then upon renewal, rather than  
3 increase on \$3000 increase on \$3400, year after year.

4 Some say this increase is tolerable because the  
5 upfront costs are too painful. But what's not okay  
6 is convincing renters that saving a little today is  
7 worth mortgaging their future to pay significantly  
8 more, starting one year out. How shortsighted.

9 Please understand the real reason why the city is  
10 unaffordable is due to a supply issue. There's not  
11 enough housing. If you want to actually solve the  
12 problem, add more housing, convert unnecessary office  
13 space into affordable housing, and stop making it so  
14 hard for landlords to run a business, so much so that  
15 we have 88,000 warehoused departments that are  
16 sitting vacant, that would immediately bring down the  
17 cost of rent.

18 Once supply increases, you will see broker fees  
19 going dramatically down, and there will be a natural  
20 balance. This bill will make supply even more tight,  
21 because owners will prefer to renew their tenants  
22 rather than going to market and paying a broker fee,  
23 which will tighten the supply even more.

24 [BELL RINGS]

25 Keep in mind, we pay \$7 per day, per listing--

2 CHAIRPERSON MENIN: Okay. Thank you.

3 MR. OSUR: --for rights to advertise on  
4 StreetEasy.

5 CHAIRPERSON MENIN: If you want to submit your  
6 testimony--

7 MR. OSUR: Should we ban waiters? Should we pay-  
8 -

9 CHAIRPERSON MENIN: Okay. You have to wrap up.  
10 Thank you. Okay, next speaker, please. Thank you.

11 MS. JACOBS: Good afternoon. My name is  
12 Priscilla Jacobs, and I've been a real estate agent  
13 with EXP Realty since September of 2022. I was born  
14 and raised in Brownsville, Brooklyn, New York, where  
15 I still reside. Last week, I took a mandatory  
16 course-- class, sorry, to renew my license on fair  
17 housing that was taught by Neil Garfunkel. Mr.  
18 Garfunkel serves as Broker Council to Real Estate  
19 Board in New York. He began that class by stating  
20 that shelter is one of the most basic of human needs.  
21 It's really important for human beings to have a  
22 sanctuary to come home to. This bill threatens the  
23 ability of people to acquire homes and apartments.  
24 By eliminating broker fees, you would make it so much  
25 harder for agents to get paid, causing confusion, and

2 many of us would leave this industry. Landlords  
3 would list properties themselves or choose not to  
4 work with agents, leading to less transparency in the  
5 process. This would impact housing access with a  
6 higher base rent, more renters won't meet the 40X  
7 income requirement to qualify, coldly leaving many  
8 New Yorkers out on the streets. The homeless  
9 population could increase as a result.

10 I'm not a lawyer, but it seems to me that if this  
11 bill becomes law, it would violate fair housing laws,  
12 whose purpose is to give everyone the right to live  
13 wherever they choose.

14 There is so much more to my job than just opening  
15 doors for people. Back in 2022, when I first became  
16 a realtor, I thought that this job would be easy,  
17 easy for me to do. I quickly found out that being a  
18 real estate agent is very difficult because this job  
19 requires so much effort and patience.

20 I assisted my client with finding a home-- with  
21 finding homes, negotiating with sellers for more than  
22 a year without receiving a single penny. I  
23 understood why agents were leaving this industry,  
24 leaving this profession in droves during 2023. I  
25 also sent a resignation letter to my broker, but

2 something told me to hold on. So I rescinded my  
3 resignation and resumed my search, combing through  
4 every listing that would pop up on my database.

5 On February 6, I gave my clients the keys to a  
6 dream home and received a miniscule commission check,  
7 which did not compensate me enough for a year and a  
8 half of arduous work.

9 [BELL RINGS]

10 I injured my knee last weekend, but I'm still  
11 here because this bill threatens my dream of  
12 succeeding as a real estate agent.

13 CHAIRPERSON MENIN: Okay. You need to wrap up.

14 MS. JACOBS: Okay. I'm wrapping up.

15 CHAIRPERSON MENIN: If you want to submit your  
16 testimony, that's fine.

17 MS. JACOBS: At EXP Realty, my brokers give  
18 weekly compliance meetings where agents are  
19 constantly told that the best way--

20 CHAIRPERSON MENIN: Okay. Thank you. Thank you  
21 for your comments. Thank you very much. I just want  
22 to say, when people are speaking, if you disagree  
23 with them, please do not laugh. It is very  
24 disrespectful in this chamber. You'll have your two  
25



2 minutes. You can voice your disagreement then.

3 Thank you. Okay, last speaker on the panel.

4 MR. BURKE: Good afternoon. My name is Ausar  
5 Burke. I'm an organizer with Churches United for  
6 Fair Housing, a grassroots organization dedicated to  
7 fighting for affordable housing for all New Yorkers.  
8 Today I'm here to speak in strong support for the  
9 FARE Act. As someone who works closely with working  
10 class New Yorkers, I have witnessed firsthand how  
11 broker fees act as a significant barrier-- barrier to  
12 support securing affordable housing. These fees,  
13 often equivalent to one month's rent or more, create  
14 a huge financial burden for tenants who are already  
15 struggling to make ends meet. For many, paying a  
16 broker fee means diverting funds from essential needs  
17 such as food, healthcare, and education.

18 The FARE Act is a necessary step towards  
19 eliminating these unjust broker fees and ensuring  
20 that all New Yorkers have a fair chance at finding  
21 safe and affordable housing. By supporting this  
22 legislation, we can alleviate the financial burden on  
23 working class tenants, increase housing stability,  
24 and promote greater equity in our housing market.

2 In conclusion, I urge you to support the FARE Act  
3 and stand with us and fight for fair housing. Let us  
4 work together to remove these unnecessary barriers  
5 and create a more just and equitable New York for  
6 all. Thank you.

7 CHAIRPERSON MENIN: Okay, thank you to the panel.  
8 Councilmember Ossé, has questions.

9 COUNCILMEMBER OSSÉ: I-- I know that there will  
10 be future testimonies about this, about how the  
11 passing of this bill would increase rents, and I just  
12 want everyone listening in the room, and online, and  
13 in future communication that this is a talking point  
14 that has specifically come from the Real Estate Board  
15 of New York.

16 Now the Real Estate Board of New York represents  
17 landlords, developers, people who, you know, affect  
18 the rent that each and every single one of us pays in  
19 this room. Not once have I seen the Real Estate  
20 Board of New York mobilized 1500 people to show up to  
21 a rent guidelines board meeting to push back against  
22 the rents that they increase in those meetings. It's  
23 interesting that now they care about the increasing  
24 in rent and they're showing up to this bill hearing.

2 In addition to that, I would like to dispute some  
3 of the false claims that this will increase rent.

4 One: No one's talking about this, but nearly half--  
5 specifically 44% of New York City rentals in New York  
6 City are rent stabilized. Again, it would be illegal  
7 for landlords to bake that rent into-- the broker fee  
8 into those rents. Two: Rent is determined by market  
9 forces, not by landlords. If landlords could  
10 increase your rent tomorrow, they would have done so  
11 yesterday. They are not holding back on increasing  
12 your rent. And finally: Under the current system of  
13 forced broker fees, tenants don't have bargaining  
14 power, and landlords know that. They know that you  
15 can't move out of your apartment because it costs  
16 \$10,000-plus, because you have to pay a broker fee to  
17 move into another apartment.

18 With that being the case, landlords can increase  
19 your rent knowing that you're basically trapped in  
20 that housing. Passing this bill will give tenants  
21 bargaining power. It will give them mobility to move  
22 around their housing market. And it will not only--  
23 it won't increase rents, it'll put a downward  
24 pressure on rents. Thank you.

2 MR. OSUR: I'm sorry something you said that's  
3 not factually correct. If I could just correct: So  
4 rent stabilized apartments can go up if the tenant  
5 vacates. So, that's not entirely true. There can be  
6 a preferential rent and a legal rent.

7 Also, should we be-- should we be paying the tips  
8 for waiters? Or should the restaurant be paying the  
9 tips for waiters? They hired them. They employed  
10 them. I didn't employ them.

11 COUNCILMEMBER OSSÉ: It's optional. That's the  
12 thing about tips for waiters. It's optional, and  
13 people choose to do so.

14 MR. OSUR: It's not optional. You know that.  
15 You're going to go to a restaurant and not pay--

16 CHAIRPERSON MENIN: Okay.

17 [GAVEL]

18 Okay, thank you. Thank you very much. We're  
19 going to keep order in here.

20 MR. OSUR: Rent stabilized apartments can be  
21 increased. I just want to make note.

22 CHAIRPERSON MENIN: Thank you. Okay, thank you  
23 to this panel. We are now going to move on to the  
24 next panel. Jordan Melkin, Logan Ferris, Destiny

2 Cruz, Amy Blumsack, Mia McDonald, Arturo Edinardo.

3 If you could please come forward, thank you.

4 COUNCILMEMBER OSSÉ: Whenever you're ready to  
5 begin, right?

6 CHAIRPERSON MENIN: Yes, please start. Thank you  
7 very much.

8 MS. BLUMSACK: Good afternoon. My name is Amy  
9 Blumsack. I represent Neighbors Together. We are a  
10 community-based organization located in central  
11 Brooklyn. Over 60% of our members are homeless, and  
12 so we work with a very large number of people who  
13 have vouchers.

14 As we know, rental assistance vouchers can be a  
15 lifeline for people who have them. However, not all  
16 vouchers pay broker's fees, and not everyone can get  
17 help from HRA to pay a broker's fee, meaning that  
18 brokers fees cause barriers to people accessing  
19 housing, and they can be stuck in homelessness  
20 because of the prohibitively expensive fees.

21 Requiring someone with a voucher to pay a  
22 broker's fee can be a form of source-of-income  
23 discrimination, which is illegal in both the city and  
24 the state. And for people who are paying broker's  
25 fees with a rental assistance voucher, they are

2 paying a significantly higher portion of their  
3 income, making this an issue of equity.

4 The waiting list for Section 8 vouchers was open,  
5 and we saw over 600,000 people apply. Vouchers are a  
6 means of income support, and so if people have that  
7 much need for assistance, they are not going to be  
8 able to pay broker's fees. That's like over 600,000  
9 households that can't afford to pay this extra money.

10 CityFHEPS vouchers do pay-- they do-- some do pay  
11 the broker's fees. However, if landlords would pay  
12 the broker's fees, that would be cost savings to the  
13 City of New York, and we know how much the Mayor is  
14 into cost savings.

15 Additionally, I want to say that if the FARE Act  
16 were passed, it would remove incentive for bad actors  
17 to discriminate against voucher holders.

18 And lastly, I would like to say that people keep  
19 talking about rents being baked in, and tenants  
20 aren't happy, and brokers aren't happy. This is why  
21 we need to decommodify housing. Housing should not  
22 be a commodity where people are making money off the  
23 backs of people for a human right. Thank you.

24 CHAIRPERSON MENIN: Thank you. Next speaker,  
25 please.

2 MR. FERRIS: Thank you, Chair Menin and  
3 Councilmember Ossé and members of the Committee for  
4 the opportunity to share testimony in support of the  
5 FARE Act. My name is Logan Ferris and I serve as the  
6 Political Director at Open New York. Open New York  
7 is an independent, grassroots, pro-housing nonprofit.

8 New York faces-- I'm not the first person to say  
9 this today, but New York faces a severe housing  
10 crisis. In February, the New York City Housing and  
11 Vacancy Survey revealed that the rental vacancy rate  
12 had fallen to 1.4%, meaning that New Yorkers are  
13 experiencing the tightest housing market in decades.

14 While renters are suffering, landlords have more  
15 power than ever. Tenants are essentially forced to  
16 accept high rent increases in substandard living  
17 conditions, because the average upfront cost for a  
18 tenant to move into a different apartment in New York  
19 City is now over \$10,000. That's assuming you can  
20 even find a new apartment.

21 While it's clear that the city needs a  
22 comprehensive approach to increase the housing  
23 supply, building the housing that we need will take  
24 time, and we must find ways to help alleviate the  
25 burden of the crisis on renters in the short term as

2 well. Intro 360, or the-- the FARE Act is one way  
3 to-- one way that we can help improve the burden on  
4 tenants.

5 I'm here testifying in favor of this bill today  
6 on behalf of my organization, but also as a tenant  
7 myself. Over the last four years, my landlord,  
8 landlord has raised my rent by nearly 30%, and  
9 neglected to make much needed repairs because he  
10 knows that moving within New York City is a huge  
11 burden. He's right. With so few apartments  
12 available to rent, and the upfront costs of moving  
13 being equivalent to three months' rent, I have no  
14 bargaining power, and my landlord is able to take  
15 advantage of that situation.

16 Your landlord should always be afraid that you  
17 can find a new apartment, but until we create more  
18 housing and pass much-needed reforms like the FARE  
19 Act, they will continue to have the upper hand.

20 We look forward to the passage of this  
21 legislation and working with The Council to pass city  
22 housing opportunities so we can start to build more  
23 housing in every neighborhood. Thank you.

24 CHAIRPERSON MENIN: Thank you. And our next  
25 speaker.



2 MR. MELKIN: Hello. My name is Jordan Melkin.  
3 I've been a real estate agent with NC Pepe Real  
4 Estate since 2005. I'm a 20-year resident of  
5 Greenpoint.

6 I tossed my written testimony after hearing what  
7 a lot of people here have had to say. Rather than  
8 tell you all about what I know, I'm going to tell you  
9 about some things I don't know, and I'd be very  
10 curious to learn. One thing I'd like to know is, for  
11 my colleagues, my real estate professionals that are  
12 here and across the city: When you do charge a  
13 landlord a broker fee, how much is that fee? And  
14 when you charge a tenant a broker fee, how much is  
15 that fee, and are they the same? I would love it if  
16 you guys would open your books show us that, and we  
17 can see if there are really free-market forces here  
18 which are allowing tenants to negotiate the price  
19 that we as the real estate industry are asking them  
20 to pay, or rather telling them they need to pay if  
21 they want this apartment.

22 I am also kind of curious-- dumbfounded as to the  
23 reference of the dual-agency agreement as somehow  
24 something that has any impact whatsoever on a  
25

2 tenant's choice of hiring a real estate agent, or  
3 broker in order to complete a transaction.

4 We only have-- or rather, we have hundreds of  
5 renters for every vacant apartment. Every one of us  
6 knows-- every one of us renters knows when we've been  
7 waiting online to get into that open house to see an  
8 apartment for rent, that if we want that apartment,  
9 we need to sign that agreement. It is signed under  
10 duress. In no way or form, if you go out and ask New  
11 Yorkers, would you sign this and would you hire a  
12 real estate agent or broker and pay them that fee, if  
13 you didn't have to, there's no way that any more than  
14 a small fraction of them would say yes.

15 [BELL RINGS]

16 CHAIRPERSON MENIN: Okay. Thank you. And next  
17 speaker, please.

18 MS. CRUZ: Good afternoon. Chair Julie Menin,  
19 committee members and Councilmember Chi Ossé. My  
20 name is Destiny Cruz, and I'm the New York City  
21 Senior Organizer at the New York Working Families  
22 Party. As a party of tenants, union members, parents  
23 and working class people, we strongly endorse the  
24 FARE Act. This bill, in its simplest forms, codifies  
25 whoever hires the broker pays for the broker's fee.

2 Let's be clear, when the FARE Act passes, brokers  
3 will still get paid. If the FARE Act does not pass,  
4 millions of tenants will remain burdened with  
5 maintaining a portion of a broker's salary.

6 I'd like to share the story of one of our WFP  
7 members, Kaylee Farish. Kaylee's rent went up 50% in  
8 two years. Unable to sustain the increase, she began  
9 her search for a new home, but couldn't find an  
10 apartment without a broker's fee. A couple of weeks  
11 before her lease was up, she finally found a unit  
12 listed as having no fee. She reached out to schedule  
13 an appointment and discovered that there was a \$6,000  
14 brokers fee on this non-luxury, Lower East Side  
15 apartment. Accounting for the first month's rent,  
16 broker's fee, security deposit, and movers, her move  
17 easily added up between \$15 to \$20,000. Kaylee had  
18 to leave New York City and move in with a friend.

19 It is nearly impossible for the everyday New  
20 Yorker to prepare \$20,000 in a short period of time.

21 Agents say that the FARE Act will worsen the  
22 housing crisis, because fees will be baked into  
23 tenants' rents. I implore brokers worried about  
24 increased rents to join us at the rent guidelines  
25 board final vote, where students, professors,

2 families, and everyday New Yorkers will see yet  
3 another sharp increase to rent-stabilized units,  
4 negatively affecting mobility across our city.

5 Today marks the five-day countdown on the message  
6 our local government sends to millions of tenants  
7 across New York City. Our strong City Council--

8 [BELL RINGS]

9 CHAIRPERSON MENIN: Okay. Thank you. If you  
10 want to submit your testimony.

11 MS. CRUZ: May I speak my last sentence?

12 CHAIRPERSON MENIN: Again, we're doing the same  
13 for everyone. So, please, if you could just submit  
14 the written testimony, thank you.

15 MS. CRUZ: Thank you.

16 CHAIRPERSON MENIN: And next speaker. Thank you.

17 MR. ENAMORADO: Good afternoon. My name is  
18 Arturo Enamorado. I'm a member of PSC CUNY and also  
19 a Sociology Professor at Kingsborough Community  
20 College, and I'm a lifelong New Yorker and renter.

21 First of all, our union is an absolute support  
22 for the FARE Act. It is what's right for citizens of  
23 New York, as well as renters and our students. But  
24 I'd also like to share briefly my experience.

2 Two years ago, I landed my dream job at  
3 Kingsborough Community College. But the requirement  
4 is I had to move from Jamaica Queens, my home, my  
5 place of living for years, to Brooklyn to lessen my  
6 commute, to make my job possible. After months of  
7 searching, my partner and I looked, and looked, and  
8 looked to find an apartment within our means, and I  
9 still had a commute of an hour, we were finally able  
10 to find an apartment that was within our means, until  
11 we found out that we could not get the keys because  
12 we had to pay a broker's fee. We had to pay one  
13 month's security, first month's rent, and an  
14 additional \$2,400, totaling my cost to \$7,200 just to  
15 move in, to which I did not hire this broker, nor did  
16 I even see them physically to give them-- for them to  
17 give me my key. This is not who I hired.

18 And to my-- the brokers in the room, let me just  
19 say this really briefly: I do not blame my students,  
20 nor do I charge them an extra fee to come to class.  
21 Nor do I blame one-- blame them for my one year  
22 without a contract. That blame goes to my employer  
23 who hired me. As a labor union, we sponsored this  
24 bill because we understand that the equivalent is the  
25 equivalent of speaking from both sides of your mouth

2 to educate the next generation only to cripple them  
3 with a the cost they did not ask for.

4 We stand by our students and the working class  
5 members of New York, and we stand with all of you,  
6 and we please encourage that you pass this act.

7 CHAIRPERSON MENIN: Okay, thank you. Just one  
8 announcement. We have 40 speakers that have signed  
9 up in person. We have 13 on Zoom. I am announcing  
10 this because we've been told by the Speaker's office  
11 that if we go past four we have to move rooms. So,  
12 I'm just giving everyone that heads up and that is  
13 trying to be good about the timing, but we may have  
14 to move rooms depending on where we are at four  
15 o'clock. Thank you.

16 Did you have a question?

17 COUNCILMEMBER OSSÉ: Just one question for Mr.  
18 Milken. You mentioned in your testimony that there's  
19 an imbalance between what brokers are charging  
20 landlords, and what brokers are charging tenants.  
21 From your experience as a broker, what are some  
22 examples of that?

23 MR. MELKIN: Well, in my experience, amongst--  
24 I've been doing this for again, almost 20 years. In  
25 my experience across the board, landlords pay less

2 for a broker fee when it's a no-fee listing, as do  
3 tenants when it is a fee listing.

4 "Why" is simple. We've heard a lot of talk about  
5 market fundamentals here. Landlords, if they are  
6 asked to pay a higher fee than they would like to  
7 pay, have hundreds of agencies and thousands of  
8 agents and brokers, to choose from to take their  
9 business elsewhere and shop on price of the broker  
10 fee. When a tenant is faced with a broker fee, what  
11 they want is the apartment.

12 So, first of all, they have-- they're already  
13 being asked for some-- to pay for something they have  
14 no interest in paying for. Next if they don't want  
15 to pay that broker fee or want to negotiate it down,  
16 they've got no leverage, because there are a line of  
17 tenants behind them who are already waiving checks.  
18 That's why we've had bidding wars over the last three  
19 years, and that's why it's going to continue to  
20 happen unless we do something about it.

21 COUNCILMEMBER OSSÉ: Thank you. Thank you Chair.

22 CHAIRPERSON MENIN: Okay, we're going to call the  
23 next panel. Michael Jacobs, Sheila Carroll, Jonna  
24 Stark, and John Preston. Thank you.

2 Um, any other member of that panel that is still  
3 here, please come forward. If not, please go ahead.  
4 Thank you.

5 You can begin. Thank you. Push the button until  
6 you see it red.

7 MS. STARK: Hello, I'm Jonna Stark. I live or  
8 work in Queens. I'm a real estate agent. I don't  
9 know if there's-- there hasn't been much that has  
10 already been said, but I do want to just point out  
11 that there are a lot of costs to landlords in New  
12 York City that I don't think are costs elsewhere.  
13 Like, for example, I just rented an apartment where  
14 the building charges the landlord \$4,000 every year.  
15 So, the tenant was fine to pay the \$3,000 broker's  
16 fee because the building is charging these landlords  
17 exorbitant fees.

18 So, if it's a condo, co-op, condop, it's just a  
19 whole different ball game where they have more  
20 expenses than you would think. I just listed an  
21 apartment today. It's \$5,500. Now, when you go on  
22 StreetEasy and look at it, it'll show comparable  
23 units. And the comparable units nearby-- So, this,  
24 this, this apartment is \$5,500. I'm collecting the  
25 broker's fee, because the owner has to pay two



2 months' of common charges to the building. So,  
3 that's a whole other-- You know, they have all these  
4 fees that you don't actually are aware of. But the  
5 comparable units are all no-fee units, 165-10, 163-  
6 05, 161-30. So, this idea that a no-fee apartment is  
7 actually more expensive, it's really true. So, we--  
8 the landlord said, "I'll just charge \$5,500 if the  
9 tenant will pay the broker's fee, because I have all  
10 these other costs."

11 So, it's-- it's a nuanced sort of deal where  
12 that's almost a concession, and it's actually really  
13 true. You say that landlords only squeeze as much as  
14 they possibly can. A lot of landlords don't. Mom  
15 and pop. Landlords don't they want to keep a good  
16 tenant, and they're willing to take less rent, but  
17 they have a lot of costs, and they say, "Hey, can we  
18 work this out? If the tenant can pay this fee, I can  
19 charge less."

20 And I talk to landlords all the time who are  
21 charging less because they want to keep a good  
22 tenant. So, there's that.

23 Also, other states charge two or three months  
24 security deposits. So, the cost of moving: Look at  
25

2 other states. The cost of moving is the cost of  
3 moving everywhere. It's a lot.

4 CHAIRPERSON MENIN: Thank you very much.

5 MS. START: Thank you.

6 CHAIRPERSON MENIN: Thank you we are going to  
7 call the next panel. Katie Shane, Adam Grobert,  
8 Galloway, Esteban Giron, and Nadia Swanson. Please  
9 come forward. Thank you.

10 Yes. Okay, thank you. Please go ahead. Please  
11 begin. Thank you.

12 GALLOWAY: Good afternoon. My name is Galloway,  
13 them/them, and I'm the Advocacy Manager at the Ali  
14 Forney Center, an organization dedicated to  
15 supporting homeless, LGBTQIA+ youth in NYC. Thank  
16 you to Chair Menin and Councilmember Ossé for holding  
17 today's hearing, and also the ongoing support of the  
18 Council for queer youth experiencing homelessness in  
19 NYC.

20 I'll be submitting longer written testimony to  
21 advocate for the passing of the FARE Act, but this is  
22 a crucial piece of legislation that will help  
23 eliminate significant barriers for many New Yorkers  
24 seeking housing. As many of you know, AFC serves  
25 over 2000 LGBTQIA+ young people each year, providing

2 them with essential services, including housing  
3 assistance. Many of these youth are forced into  
4 homelessness due to family rejection, discrimination,  
5 and systemic inequalities. Finding stable housing is  
6 a critical step towards stability and self-  
7 sufficiency for many young people. However, the  
8 current requirements for tenants to pay brokers fee  
9 often places the burden on the clients.

10 For many homeless queer youth, these fees, which  
11 can amount to thousands of dollars, are simply  
12 unaffordable. This financial barrier exacerbates the  
13 struggle prolonging homelessness and prevents them  
14 from securing safe and stable housing.

15 By passing the FARE Act, we can remove these  
16 unnecessary obstacles and provide a fair path for  
17 housing for all New Yorkers, particularly those that  
18 are most vulnerable. Shifting the responsibility of  
19 the broker fee to the parties that hire the broker is  
20 a common-sense solution that aligns with the  
21 principles of equality and justice, and ensures the  
22 cost of accessible affordable housing does not fall  
23 on those that are already not being able to be able  
24 to afford those barriers and limits the affordability  
25 to it.

2 Furthermore, the FARE Act will not only benefit  
3 homeless queer youth, but also countless other  
4 individuals and families across the city who are  
5 struggling to make ends meet. It's the step towards  
6 creating a more inclusive and equitable housing  
7 market where everyone can have a fair access to  
8 secure housing. Thank you.

9 CHAIRPERSON MENIN: Okay. Thank you. Next  
10 speaker, please.

11 MX. SWANSON: Hi. How are you? Thank you to The  
12 Committee, Chair Menin, and Councilmember Ossé. My  
13 name is Nadia Swanson. My pronouns are they/them.  
14 I'm the Director of Advocacy at the Ali Forney Center  
15 with Galloway. I'm also a licensed clinical social  
16 worker. And so you're familiar with the Ali Forney  
17 Center.

18 This bill is really important to every New  
19 Yorker. It is important to me. It's important to my  
20 family and my friends. But I matter less than the  
21 5700 young people that are experiencing homelessness  
22 every day in New York City. And I'm not being  
23 hyperbolic when I say that eliminating the broker's  
24 fees are literally life-saving. This is especially  
25 important for the 16-to-24-year-olds at AFC who are

2 working so hard to move through their traumas of  
3 abuse and family rejection, who fight through  
4 homophobic, transphobic, and racist barriers as they  
5 face-- to obtain education and employment.

6 Last fall, we held a roundtable discussion with  
7 unhoused youth from various programs, sharing stories  
8 of fees being too high, brokers pushing them into  
9 neighborhoods they didn't feel safe in because of  
10 their vouchers, brokers ghosting our housing  
11 navigators, and then they end up expiring, all  
12 because EHV vouchers don't pay broker's fees. If the  
13 voucher does pay, HRA doesn't pay on time, all of the  
14 fee, and they just want to get their 15%.

15 We all fought so hard for vouchers, and we're so  
16 thankful to the Council for that supermajority  
17 override for FHEPS vouchers last year. But all that  
18 work won't mean anything if people cannot use them.

19 One of the youths at that roundtable, and that I  
20 worked with for the last year in youth advocacy,  
21 spoke about how much the broker fees were a barrier,  
22 and how hard it is to find an apartment without a  
23 fee. As time passed, he was able to find temporary  
24 housing, but his mental health declined and substance  
25 use increased to cope. That constant fear and

2 exhaustion only exacerbates years of trauma, never  
3 allowing youth to get out of survival mode, having  
4 tremendous impacts on their health.

5 I am devastated to say that in March, he  
6 committed suicide, and yesterday I attended the  
7 funeral, his family organized on what would have been  
8 his 25th birthday, the day he would have aged out of  
9 DYCD/RHY services. The amount of youth we have lost  
10 in a year because they're stuck in drop-in centers is  
11 devastating.

12 [BELL RINGS]

13 CHAIRPERSON MENIN: Okay, thank you. If you want  
14 to submit your testimony. Thank you very much.  
15 Okay, next speaker.

16 MR. GIRÓN: Good afternoon. My name is Esteban  
17 Girón. I'm a member of the Crown Heights Tenant  
18 Union, and I also serve on the Board of Tenants PAC.  
19 Thank you, Chair and the members of this committee  
20 and Councilmember Ossé for this opportunity.

21 The general membership of the CHTU is proud to  
22 support this legislation. Councilmember Ossé's  
23 district include areas where we organize, and he and  
24 his staff sought our input in drafting and developing  
25 this bill.

2 Today, I want to direct my remarks to the brokers  
3 who oppose this . bill I reviewed REBNY's explainer  
4 and video and talking points. Do they really expect  
5 tenants to accept that they, the organization that  
6 has done everything in its power to strip tenants of  
7 basic protections and destroy rent stabilization,  
8 that REBNY wants to protect renters from rent  
9 increases? The same organization that spent millions  
10 of dollars on lobbyists and a misinformation campaign  
11 to stop good-cause eviction from becoming law, and is  
12 still attempting to roll back the 2019 HSTPA, that's  
13 using our rent money to hire attorneys to help them  
14 undo rent stabilization at the Supreme Court?

15 Let's be clear, REBNY does not want your rent to  
16 be affordable. Brokers, don't be gaslit by the  
17 wealthiest landlords and developers in the world, who  
18 sustain their profits on your backs. The fact that  
19 you're starting salary is \$52,000 only proves that  
20 REBNY doesn't give a shit about you and is not acting  
21 in your best interest. All of your workers and a  
22 large number of your renters who are being exploited  
23 at your jobs and forced to spend way too much of your  
24 income on your housing.

2 The fact of the matter is that you have more in  
3 common with me than you do with James Whelan, or  
4 David Brodsky, or Stephen Ross. We should be on the  
5 same side.

6 Tenants may not have millions of dollars to blow  
7 on lobbyists and consultants, but we do believe and  
8 fight for tenant and worker power. And considering  
9 we won the passage of right to counsel, the 2019  
10 HSTPA, new good-cause protections, and the rejection  
11 of every case brought against rent stabilization to  
12 the Supreme Court, I would encourage brokers to join  
13 our rank and stop playing for the losing team.

14 The CHU urges the New York City Council to stand  
15 up for the rights of workers, and tenants, and  
16 brokers by passing this bill without delay.

17 Thank you.

18 CHAIRPERSON MENIN: Thank you. Last speaker on  
19 the panel.

20 MR. GRAUBART: Good afternoon. My name is Adam  
21 Graubart, and I moved to New York four years ago to  
22 study at rabbinical seminary. My Jewish tradition  
23 teaches me that in Leviticus 25:14, when you sell  
24 property to your neighbor or buy anything from your  
25 neighbor, you should not wrong one another. And



2 later, Jewish law clarifies that this verse refers to  
3 overcharge.

4 My tradition is clear, price gouging is wrong.  
5 Beyond Jewish communities, this principle makes  
6 universal, moral, and practical sense for all New  
7 Yorkers.

8 Forcing tenants to pay exorbitant fees up front  
9 for a broker they were forced to use and did not hire  
10 themselves at a time when their housing situation is  
11 most uncertain, is exploitative.

12 Personally, as a graduate student, I live on a  
13 fixed income. If I ever needed to suddenly move,  
14 paying current rates for a broker's fee would push me  
15 to drain my savings or need to leave New York City  
16 altogether.

17 The Council has a moral obligation to create a  
18 system in which real estate cannot extract additional  
19 profits from the limited funds of working class and  
20 middle class tenants. Moreover REBNY members claim  
21 that this bill would tie the hand-- tie their hands  
22 behind their backs.

23 But let us be clear, landlords do not need to  
24 take advantage of tenant vulnerability and drive up  
25 real estate profits. I also agree with Councilmember

2 Ossé's assessment that rent stabilization and market  
3 forces would negate REBNY's claims that this bill  
4 would lead to rapid increases in rent.

5 Wringing of New Yorkers trying to make ends meet  
6 for the sake of profit is not inherent. It is a  
7 willful act that could be avoided. I implore the  
8 council to stop the wringing of tenants, and to not  
9 acquiesce to the pressure of the moneyed interests.  
10 Please pass the FARE Act now.

11 [BELL RINGS]

12 CHAIRPERSON MENIN: Okay, thank you. So, one  
13 announcement, the Speaker's office has just informed  
14 us we do need to leave this room at three. So, what  
15 is going to happen is we're going to keep calling  
16 speakers. Then at three o'clock, we're taking a  
17 recess. The hearing will resume at 3:45 at 250  
18 Broadway, which is a building across the street on  
19 the 16th floor. Again, we're stopping at three. The  
20 hearing will resume at 3:45 at 250 Broadway, 16th  
21 floor. Anyone who wants to testify but can't stay,  
22 can sign up to testify remotely or submit written  
23 testimony to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov).

24

25

2 Okay, I'm going to call the next panel. Thank  
3 you. Adam Taha, Danielle Lewis-McClair, Jimmy Brett,  
4 Brian William, Deeb Shahanfi.

5 Please come forward if I called your name, if  
6 you're-- Okay.

7 Okay, please begin. Thank you.

8 MR. BRETT: I'm it?

9 CHAIRPERSON MENIN: Yeah, you're it.

10 MR. BRETT: Do I get more than two minutes?

11 So good afternoon all. My name is Jimmy Brett,  
12 and I'm an Associate Broker with BOND New York  
13 properties. My bosses just left. I came here today  
14 because I think it's very important to hear from  
15 people who have experience. I'm a broker. 30 years  
16 ago, in 1994 I helped my nephew Andrew open his first  
17 City Habitats office. City Habitats was the first  
18 rental real estate company in New York City devoted  
19 to rentals. He opened 19 offices, of which I managed  
20 two of them for a few years, and then he sold the  
21 company to Corcoran.

22 I am overly familiar with the rental industry in  
23 the city for the past 30 years. I'm a different kind  
24 of a broker. My entire business is representing  
25 property owners. I'm known (if you look on my

2 website) as the property owners broker. I know the  
3 mentality and the business model for landlords,  
4 management companies, building owners, both small and  
5 large, and individual apartment owners of  
6 cooperatives and condominiums.

7 When they have to pay extensive taxes, rising  
8 insurance, rising Con Ed bills and their staff and  
9 property upkeep, all of which have skyrocketed over  
10 the past couple of years. Yes, they write the checks  
11 for these bills. But (and this is a big but), they  
12 raise the rent-- they raise the rent. So, in  
13 reality, the tenants are paying for it. If you pass  
14 this bill-- If you pass this bill, all you, all you  
15 are doing is making-- making the rents go up, the  
16 apartments that are almost unaffordable today are  
17 going to become totally unaffordable.

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. Thank you very much.  
20 Thank you for your testimony.

21 We're now going to call the next--

22 MR. BRETT: Can I say one last thing though?

23 CHAIRPERSON MENIN: No, no, no. Nope. Nope.  
24 No, sorry. We're not-- We're not going to do that.  
25 Everyone gets two minutes.

2 The next panel is Yvette Vasquez, Sean Davis,  
3 Michael Matos, Anna Gardner, Rebecca Meldman, and  
4 Claire Baging. Please come forward. Thank you.

5 Okay, please begin.

6 MR. MATOS: Good afternoon, Councilmembers and my  
7 fellow New Yorkers. My name is Michael Matos, and  
8 I'm a US Military Veteran. I'm here today to express  
9 my strong support for Intro 360, a vital piece of  
10 legislation aimed at improving the accessibility of  
11 housing in New York City.

12 Intro 360 is designed to address the critical  
13 issue of housing accessibility in NYC. As someone  
14 who has served our country and continues to serve our  
15 community, I understand the significant challenges  
16 many veterans and low-income families face in  
17 securing affordable, stable housing. The high cost  
18 of living and limited availability of affordable  
19 housing options have created significant barriers for  
20 many NYC residents.

21 According to a recent report by the New York  
22 State Comptroller, almost 3 million households in New  
23 York are dealing with housing costs that consume more  
24 than 30% of their household income, with one-in-five  
25

2 households experiencing a severe cost burden of more  
3 than 50%.

4 Veteran homelessness remains a persistent issue.  
5 In 2023 there were approximately 1500 homeless  
6 veterans in New York City, reflecting a troubling  
7 trend that has not significantly improved over recent  
8 years. Many veterans face unique challenges when  
9 transitioning back to civilian life, including  
10 finding stable housing. This legislation can play a  
11 crucial role in reducing veteran homelessness by  
12 increasing the availability of affordable housing.

13 As a veteran, I have witnessed the struggles of  
14 my fellow service members in finding secure housing.  
15 Intro 360 offers a promising solution to alleviate  
16 these difficulties.

17 Low-income families are disproportionately  
18 affected by the lack of affordable housing.  
19 According to the NYC housing and vacancy survey, over  
20 25% of low-income households spend more than half of  
21 their income on rent. Moreover, so-called affordable  
22 housing programs are often unobtainable for these  
23 families and Section 8 housing voucher holders, due  
24 to various systematic barriers, the limited supply of  
25

2 truly affordable Units, means that many low income  
3 households--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Thank you, sir. Next  
6 speaker. If you want to submit your testimony,  
7 please do. Thank you.

8 MR. MATOS: Yes.

9 MS. VASQUEZ: Good afternoon. My name is Yvette  
10 Vasquez, and I'm the Queen's Political Organizer for  
11 1199 SEIU. I am here on behalf of 1199 SEIU and our  
12 thousands of healthcare workers in New York City.

13 I've listened to representatives from BOND New  
14 York, whose revenue was \$100 million last year,  
15 Douglas Elleman, whose revenue was \$941 million last  
16 year. And I'm noticing in this room that there are  
17 workers on both sides saying that they need  
18 assistance. The brokers are scared that they're not  
19 going to make money, and the renters cannot afford  
20 it.

21 When we negotiate, we go to the table and  
22 negotiate for our members' salaries. We go to the  
23 top, the people who have the money. We don't put  
24 that on the residents that they take care of. We  
25 don't ask the residents to pay their salary. So, we

1 ask the billion-dollar health care industry to pay  
2 what they need to pay.

3  
4 And I implore the workers of these real estate  
5 companies to do the same. They clearly have enough  
6 money in the millions and billions of dollars that  
7 they bring in yearly.

8 We need to work together to create affordable New  
9 York City Housing with equitable and reasonably  
10 priced housing. We're urging the Council to pass the  
11 FARE Act to ensure that no one is burdened with  
12 unreasonable costs while trying to find a place to  
13 live.

14 I have a very-- blessed to have a good job, and  
15 it took me six months to find an apartment that was  
16 reasonable, and I still had to make concessions on  
17 that. I looked on all of these websites that they've  
18 mentioned today -- StreetEasy, Zillow, and what have  
19 you. All of these rentals that are listed as no fee.  
20 Every single one I went to turned out to have a fee.  
21 So, just because they say that don't-- don't have a  
22 fee, is not correct. You show up and boom, there it  
23 is.



2 So, I don't know where they got their stats from,  
3 but that is the case, and I just lived through it.  
4 So, thank you.

5 CHAIRPERSON MENIN: Thank you. Next speaker,  
6 please.

7 MS. GARDNER: Good afternoon. My name is Anna  
8 Gardner, she/her, and I'm a constituent of  
9 Councilmember Chi Ossé. I've been here since 8:45am  
10 today, and I'm grateful for the chance to testify.  
11 I'm testifying in support of Intro 360.

12 I moved to New York four years ago to live with  
13 my sister after I was hospitalized during the  
14 pandemic. I had to quit my job upstate and had very  
15 little savings when I moved in with her. As I was  
16 recovering and easing into work again, I found my  
17 apartment on Craigslist that was in my price range.  
18 I was really not financially stable to sign my own  
19 lease at the time, but the apartment was rent-  
20 stabilized, near my new job and would go very  
21 quickly.

22 On top of first month's rent and security  
23 deposit, I had to pay the broker's fee for my  
24 landlord. The only way I could pay the total of  
25 \$4,500 was borrowing money from three of my family

2 members. I was fortunate and privileged to have that  
3 safety net, a familial loan I could pay back on my  
4 own timeline without interest. But many, many, many  
5 New Yorkers do not have that safety net or savings.

6 I didn't meet my landlord in the entire process  
7 of renting my apartment. The broker listed the  
8 apartment, gave me the tour, and he had me sign the  
9 lease at his office. I didn't hire the broker to do  
10 any of that. My landlord did. If I wasn't in a  
11 rent-stabilized apartment, and my landlord didn't  
12 want to pay that fee and wanted to pass it on to me  
13 over the course of the year of a lease, I would be  
14 very amenable to that, and would have been much more  
15 financially stable in that moment. I do think it's a  
16 fallacy of saying that these fees are going to be  
17 baked in indefinitely into rents. I think that  
18 there's different ways to go about this. I don't  
19 believe this bill is being presented as a solve for  
20 the affordable housing crisis in New York, and I'm  
21 not looking at it to lower my rent.

22 It's essential that this piece of-- This is an  
23 essential piece to a broader solution to alleviate  
24 upfront financial burden on renters, renters who are  
25 living paycheck to paycheck, renters who are on the

2 brink of incredible debt. This bill is for them, for  
3 us, for the majority of New Yorkers just trying to  
4 make it by. This broken system will be made more  
5 sustainable, bit by bit, with legislation like Intro  
6 360. Thank you to the 33 Councilmembers, to the  
7 Public Advocate. FARE is fair.

8 [BELL RINGS]

9 CHAIRPERSON MENIN: Thank you very much. If you  
10 want to submit your testimony. Next speaker, please.  
11 Thank you.

12 Thank you. Chair Julie Menin, Councilmember  
13 Ossé, and the members of The Committee and members in  
14 attendance. My name is Sean Davis, and I'm a  
15 resident of New York County, district five. I'm also  
16 a Staff Attorney with Mobilization For Justice who  
17 handles housing court cases across the five boroughs.  
18 I am now testifying in my own capacity as a tenant,  
19 in support of the FARE Act.

20 So, we're talking about brokers fees in the midst  
21 of a huge housing crisis in this city. We heard from  
22 brokers that this is a supply-and-demand issue. To  
23 call this a supply-and-demand issue simply is to  
24 remove all the nuance required to deal with this

2 situation, and moreover, the housing crisis in this  
3 city... Nuance that the FARE Act takes into account.

4 Now, having said all that, I'm also not saying  
5 that all a broker does is open a door, but this act  
6 is meant to be fair to everyone. Speaking to my  
7 experience, I tried to move about a year ago, was hit  
8 with broker's fees, and I had to make the decision  
9 that it wasn't going to pay off unless I lived there  
10 a few years, I decided not to move. Other people are  
11 not as lucky. They get stuck renewing leases to  
12 avoid homelessness, because what else are you going  
13 to do? That ends them up in housing court, and  
14 that's where I come in.

15 Now, I made that decision not because I didn't  
16 want to move. It wasn't made because the housing  
17 that I not the broker located was expensive. It was  
18 made because I was trying to move to a less-expensive  
19 apartment that turned out to be cost prohibitive when  
20 factoring in the broker's fee. Why should the tenant  
21 pay that? I have not heard a good answer to that  
22 today. Now I touched on this a little bit. But to  
23 generalize the scope and give an idea of what New  
24 Yorkers are dealing with, this is having a real

2 financial detrimental effect on working class New  
3 Yorkers.

4 I'm going to skip a little bit here just for  
5 time.

6 So, I've heard the word options a lot from  
7 brokers here. They want tenants to have options.  
8 That's what this is about. It's disappointing to  
9 hear that. That is-- I do not believe that to be  
10 genuine. They're saying that this would be bad for  
11 tenants. That is simply not the case. I also want  
12 to say that the broker asking you not to legislate in  
13 this arena. That was the most inappropriate thing  
14 I've heard in a while. It shows that they do not  
15 understand even despite being able to organize how  
16 legislation works, they also have no idea how  
17 vouchers work if they think it's so simple, it could  
18 be done in a day.

19 [BELL RINGS]

20 CHAIRPERSON MENIN: Thank you. Okay. Thank you  
21 very much. Next speaker, please.

22 Good-- Good afternoon. Can you hear me?

23 CHAIRPERSON MENIN: Yes, we can hear you. Thank  
24 you.

2 [UNKNOWN SPEAKER]: Good afternoon. New York  
3 City has always prided itself on its forward thinking  
4 and commitment to innovation, yet there's a glaring  
5 inconsistency tarnishing our city's reputation: The  
6 unjust practice of burdening tenants with exorbitant  
7 fees to brokers that they didn't even hire. It's  
8 time to put an end to this outdated and unfair system  
9 by supporting the FARE Act.

10 In a city where two thirds of the population  
11 lives paycheck-to-paycheck, asking families to save  
12 for months, if not years, for a security deposit and  
13 first month's rent is already a daunting task.  
14 Demanding them to shell out thousands of dollars to a  
15 broker, often for minimal service, is simply absurd.  
16 Brokers lack the incentive to be transparent about  
17 property flaws, leaving tenants vulnerable. Why  
18 should tenants put the bill for a service they didn't  
19 choose, especially given this risk? If landlords  
20 insist on hiring a broker, they may do so, but it is  
21 outrageous to expect the tenant to pay that bill up  
22 front, especially when they had no input in hiring  
23 this person in the first place. Opponents argue that  
24 landlords may offset broker fees by raising rents.

2 While this might strain renters' budgets, it's a step  
3 towards fairness.

4 Many New Yorkers endorse substandard living  
5 conditions because they cannot afford the upfront  
6 costs of moving. Incremental rent increases, though  
7 challenging, offer a pathway for families to seek  
8 better living conditions.

9 Others have brought up the fact that no-fee  
10 apartments are already available, but in my  
11 experience, the vast majority of these units are  
12 either scam listings in decrepit condition, or way  
13 too highly priced for the average New Yorker. When I  
14 was searching for an apartment, I just was looking  
15 for two basic criteria, fitting my budget, and having  
16 a reasonable commute to the school I teach at. There  
17 were only two apartments that fit these criteria, and  
18 I was forced to choose between a \$2,000 brokers fee  
19 or a unit with five open complaints with the city due  
20 to rodent issues.

21 The FARE Act presents a balanced solution.  
22 Brokers retain their role while easing financial  
23 burdens on the tenant who again, did not hire them in  
24 the first place.

2 I urge you to stand with the millions of New  
3 Yorkers you represent by supporting the FARE Act and  
4 thank you for your attention and commitment to  
5 serving our community.

6 CHAIRPERSON MENIN: Okay. Thank you. Next  
7 speaker, please.

8 MS. BAGING[SP?]: Hi. Thank you. Chair Julie  
9 Menin, Councilmember Chi Ossé, and the members of the  
10 committee. My name is Claire Baging[SP?], and I'm a  
11 resident of Cobble Hill, Brooklyn. In 2016 my  
12 husband and I were looking for our first apartment  
13 together, and we scoured StreetEasy listings for  
14 hours, signed up for multiple open houses and viewed  
15 several different apartments. When we found the  
16 listing for our future one bedroom in Hell's Kitchen,  
17 we were one of many applicants and the rent, what the  
18 time was \$2,150 per month.

19 We knew the brokers were not working for us.  
20 They did not help us find the apartment, and their  
21 only job was to unlock the apartment and collect the  
22 paperwork for us. This work, we paid-- For this  
23 work, we paid our two brokers fees totaling \$3,870,  
24 to the sole realtor who was showing this apartment.  
25 And we were also told that if we didn't quickly pay



2 all fees owed, there were many other applicants in  
3 line behind us who are ready to take our spot and  
4 already paid application fees. Including these three  
5 months rent, the broker's fee and the application  
6 fees we needed \$10,320 to move into a roach-infested  
7 one bedroom apartment in Hell's Kitchen. Without  
8 some substantial financial help from my family, this  
9 would have been impossible for us.

10 So, if we care about the housing crisis that we  
11 are currently facing, and about losing communities to  
12 gentrification, we need to take action on this issue.  
13 I urge the council to make our real estate  
14 transactions more fair and to pass the FARE Act now.

15 CHAIRPERSON MENIN: Thank you. And Councilmember  
16 Ossé has a question.

17 COUNCILMEMBER OSSÉ: I just wanted to uplift you  
18 at the point on, you know, some of these brokerages  
19 making, you know, over a billion dollars or millions  
20 of dollars a year. To all the brokers that are mad  
21 at me in here, I really do urge you to maybe organize  
22 your brokerages. You talked about how you don't have  
23 healthcare and other things that you should have, you  
24 know, in a place where you work. Organize those  
25 spaces. Put pressure on your employers that are

2 making all of this money. Don't put that bill on to  
3 the tenants and the working-class New Yorkers who  
4 live here and uphold our city. Thank you.

5 [BACKGROUND VOICES]

6 [GAVEL]

7 CHAIRPERSON MENIN: No, no, no. You're out of  
8 order. There is no speaking in the chambers.  
9 Everyone has their two minutes where they can get up  
10 and speak. Thank you. We are moving on.

11 We have one more panel before we have to take a  
12 recess. So, again, I'm going to call this panel.  
13 Then after the panel, we're breaking at 3:00. We'll  
14 resume at 3:45 at 250 Broadway, 16th floor.

15 So, the next panel, Tuval Mor, Philip Johnson,  
16 Elvin Rotman, Nina Lee, Eric Ross, and Marty Moore,  
17 please come up. Thank you.

18 The first one-- and I apologize I was hard to  
19 read the writing. Tuval? Yes. Tuval. So sorry.  
20 Sorry, sorry. Yes. Tuval. Thank you so much.  
21 Everyone has two minutes.

22 MR. MOR: Let me know when I can begin.

23 CHAIRPERSON MENIN: Yes. Go ahead. Thank you.

24 My name is Duval Mo and I'm a real estate agent at  
25 Corcoran, and I've been doing real estate in New York

2 City, focusing on rentals in the city for the past 20  
3 years. I was involved in thousands of rental  
4 transitions representing the owners and renters.

5 When a potential tenant goes now online to the  
6 major website, he can search by no fee or with fee.  
7 Everything is disclosed up front. And for the  
8 disgusting bad-apples brokers that are misleading, I  
9 would fully support a law that will punish them.

10 That being said, if a tenant chooses to inquire a  
11 rent that disclosed it has a broker fee. It means  
12 the owner decided that for this apartment, he chose  
13 to keep the apartment rent low and have the broker  
14 fee paid by the upcoming tenant.

15 The tenant saw the apartment on the website that  
16 the agent paid for to advertise, with the virtual  
17 staging and photography that the broker paid for, did  
18 not find it by himself. It was the marketing of the  
19 broker that allowed the potential tenant to find it.

20 I believe I bring a different experience than the  
21 other brokers that came before me, because for the  
22 first 15 years, I worked just for renters, and now  
23 just for owners.

24 When I'm talking to owners I represent, we do  
25 provide them with two options: One, they pay the

2 broker fee, and one where the renter pays the broker  
3 fee.

4 When the owner pays the broker fee, it's always  
5 up 10 to 15% higher than the initial rent proposed.  
6 If the renter is paying the fee, and we take into  
7 account that the average renter in New York City  
8 stays two to three years, it shows that the average  
9 cost for the renters will be much lower if he himself  
10 pays the fee. And yes, we can also negotiate when  
11 there is no competition.

12 Every New Yorker deserves housing. Not every New  
13 Yorker deserves to be in the best area of Manhattan,  
14 getting \$10,000 broker fee or rental for free. It  
15 doesn't work this way. We are now the most expensive  
16 city in the world. What do you think owners that  
17 worked all their lives to buy a property--

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Thank you very much. Next  
20 speaker, please.

21 MR. ROYMAN[SP?]: Good afternoon, Councilmembers.  
22 Thank you for the opportunity. My name is Elvin  
23 Royman[SP?]. I'm here to speak against Intro 360 for  
24 the millions of New Yorkers who have voluntarily  
25

2 participated in a rental transaction and thereby  
3 support the status quo.

4 I'm also here for the many thousands of New  
5 Yorkers who work in real estate and small landlords,  
6 including the 1500 who are right outside this  
7 building today, whose pocketbooks you are looking to  
8 plunder.

9 This bill is anything but fair. It is despicable  
10 to think that the council is looking to punish the  
11 real estate agents, whose average income is around  
12 \$58,000 according to Glassdoor. By cutting their  
13 fees by 50% which is reputedly predicted, you're  
14 effectively placing them below the poverty line in  
15 one of the most expensive cities in the world.  
16 Agents are renters, too.

17 I find it entirely disingenuous for the council  
18 people, city government employees, and their  
19 preferred panelists to be testifying about one or two  
20 cherry-picked anecdotal horror stories (not to  
21 mention asking questions of panelists who are  
22 ignorant of the majority of transactions and many are  
23 just downright lying) to paint the entire industry as  
24 evil, when the vast majority of agents are honest,  
25 law-abiding, hardworking New Yorkers, almost all of

2 whom are members of vulnerable minority groups such  
3 as people of color, women, immigrants, Jewish, or  
4 LGBTQ.

5 Plus my parents are proud immigrants granted  
6 asylum in this beautiful city 45 years ago when they  
7 ran for their lives from a regressive, oppressive,  
8 authoritarian communist regime, and this legislation  
9 is leading us down a path to that hell.

10 The landlords have all the power since they  
11 control the supply of housing. If they are forced to  
12 cover all broker fees, the rents will go up to absorb  
13 that cost in the first year and will be baked into  
14 the rents forever, even after renters have paid that  
15 fee off, and subsequently, more people will be  
16 prevented from acquiring housing.

17 I implore you, don't raise the rent.

18 I'm curious that this bill is being debated on  
19 one of the holiest days of the Jewish calendar. This  
20 seems like a tactic to prevent the nearly 1.5 million  
21 New York City Jews from voicing their opposition to  
22 this bill. To be frank, the reality is that we have  
23 a horrible affordability crisis in the city. The  
24 vacancy rate is below 1.5% and this bill will make  
25 that significantly worse, instead of actually

2 building affordable housing, this legislation is  
3 being presented to obfuscate from the reality.

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Thank you. And next speaker,  
6 please.

7 MS. LEE: Good afternoon. Speakers, members of  
8 the council. My name is Dina. I'm here to talk  
9 about affordability. You're saying that brokers fees  
10 are going to be an upfront cost that is preventing  
11 people from gaining housing. The real problem is  
12 that there are no affordable housing in the city as  
13 of right now.

14 The AMI for 50% as set by HPD, is \$54,350 for a  
15 single-person household, that would mean that an  
16 affordable apartment would be \$1,358.75. If you do  
17 it, search on street, easy for that. There's only  
18 two apartments in the entire city, fee or no fee,  
19 that meet that number.

20 So, the issue is not brokers. The issue is  
21 affordability. You're allowing major developers to  
22 build at 120% AMI, 80% AMI, in new developments,  
23 instead of at 30% and 40% and 50% AMI, which will  
24 actually help New York City people get affordable  
25 housing.

2       Additionally, there are no brokers fees in  
3 affordable housing. If you apply to a housing  
4 lottery, if you are applying to subsidized housing,  
5 which is what is actually affordable to New Yorkers,  
6 you do not have a broker's fee. You're only  
7 experiencing that in market rate housing. And in  
8 market rate housing, you do have the option of what  
9 the landlord decides.

10       Additionally, when you speak about the 44% of  
11 housing that is rent-stabilized, please remember that  
12 there is warehoused housing in that 44% which  
13 includes that 100,000 units that are offline right  
14 now.

15       So, it's disingenuous to tell people that it will  
16 not affect them. It will absolutely affect them  
17 moving forward. Brokers. A lot of brokers do not  
18 want to charge tenant fees. It makes our job so much  
19 more difficult. So, if there's a listing that has a  
20 broker's fee attached, then it's because there was no  
21 other option. Our advertisement is already heavily  
22 regulated by Department of State, which indicates  
23 that we must include all upfront fees in our  
24 advertisements. For persons who are not doing that,  
25 please report them to the to DOS immediately. You



2 should not be pulling up to a showing and getting  
3 hidden fees.

4 So, these are not things that you're fixing with  
5 this legislation, because there's already regulation  
6 in place to prevent this happening to tenants.

7 CHAIRPERSON MENIN: Thank you. Next speaker,  
8 please.

9 [UNKNOWN SPEAKER]: Hi. Before I start, I would  
10 just like to request that Councilmember Ossé actually  
11 put the laptop away, put the iPhone away, stop  
12 looking around the room when we're speaking, people  
13 in opposition of your bill, because I notice that's  
14 what you're doing in a habitual manner, and actually  
15 listen to the presenters, okay? Because you only  
16 listen to your side, not to the other side. It's  
17 disrespectful.

18 I think I have to say the most important single  
19 thing that's going to be said here today: There were  
20 a lot of people that came out in opposition to this  
21 bill. Okay, who did you not see here today come out  
22 in opposition? The owners of the buildings, the  
23 landlords, okay? Why did they not come out here?  
24 Not because they don't have brains, not because they  
25 don't have means, not because they don't have

2 lobbyists and lawyers. Put that laptop away, please.  
3 The reason why-- Put the laptop away and focus. The  
4 reason why they're not here, Councilman Ossé, is  
5 because they realize that your bill will actually  
6 help them.

7 In line with what everybody is saying here, the  
8 rent will go up. So, they're actually passive about  
9 your bill, or actually secretly in favor of your  
10 bill. They know that it will cause the rents to go  
11 up, which will redound to their benefits, increasing  
12 the value of their holdings, and also increasing  
13 their bottom line year after year, after year, after  
14 year, because they will continuously recoup the cost  
15 that they outlay and keep the rent at the exact same  
16 level. And instead of recouping what they outlay, it  
17 will just go directly into their pocket.

18 That's the reason why none of them are here.  
19 Okay, so I think, QED, you keep saying that that  
20 rents will not go up, and in fact, they will go down  
21 if the rents would--

22 CHAIRPERSON MENIN: Sir. There's no record--  
23 Excuse-- There's absolutely no recording from the  
24 stand.

2 [UNKNOWN SPEAKER]: Okay, I didn't-- I didn't  
3 know.

4 CHAIRPERSON MENIN: Thank you. Okay, you may  
5 continue. Thank you.

6 [UNKNOWN SPEAKER]: If the rents-- If, according  
7 to what you're saying, the rents would go down, you  
8 would have a room full-- If you were right, you  
9 would have a room full today of landlords and owners  
10 protesting your bill. Okay, this is proof positive  
11 that at the complete opposite would happen.

12 [BELL RINGS]

13 CHAIRPERSON MENIN: Thank you.

14 COUNCILMEMBER OSSÉ: There were multiple  
15 landlords in this room today though, self-described.

16 [UNKNOWN SPEAKER]: I can't hear you.

17 COUNCILMEMBER OSSÉ: There were multiple, self-  
18 described small homeowners who were in the room  
19 today.

20 [UNKNOWN SPEAKER]: I can't hear. There's  
21 crosstalk.

22 CHAIRPERSON MENIN: We're allowed to come in and  
23 interject questions, okay? That is absolutely  
24 Council prerogative.

2 COUNCILMEMBER OSSÉ: There were multiple people  
3 advocating on your behalf, who sat on the panel and  
4 said they were landlords and homeowners, so that's--  
5 that's incorrect.

6 [UNKNOWN SPEAKER]: They were real estate  
7 brokers. They weren't the institutional landlords.  
8 Okay, let's not mince words here. Let's not play  
9 cutesy. Okay, they happen to be both, okay? But  
10 they-- that's-- that wasn't their line of business.  
11 Their line of business was real estate brokerage.

12 CHAIRPERSON MENIN: Okay, sir, it's now your  
13 turn.

14 MR. JOHNSON: Thank you very much. My name is  
15 Philip Johnson. The rent is too darn high, and this  
16 will only make it higher. So, far today we've only  
17 heard populous sound bites and political hand waving.  
18 But I'm here to give you some facts, some actual  
19 numbers and some math.

20 In Bedford, Stuyvesant, a neighborhood  
21 represented by Councilmember Ossé, the average price  
22 as of last week for a studio apartment with a fee is  
23 \$2,275. The average price for a no fee studio is  
24 \$2,603. The no-fee studio is 14% higher. So, when  
25 we are asking what the tenant is getting in exchange

2 for the broker that they're paying the owner has  
3 hired, they are getting cost savings in year one, and  
4 they are receiving cost savings in each subsequent  
5 year that they renew.

6 Perhaps in Mr. Ossé's fantasy world, New Yorkers  
7 only live in their apartments for one to two years,  
8 and they move around constantly. That is not the  
9 case. Many New Yorkers live in their apartments for  
10 many, many years.

11 Additionally, he's made allusions earlier that  
12 it's only fancy buildings in the which is-- this is  
13 the case. In his-- In Bedford, Stuyvesant, 63% of  
14 all pre-war buildings, not luxury fancy new  
15 developments are no-fee. And in fact, 50% of pre-war  
16 buildings that are under \$2,500 a month for rent are  
17 also no fee. So, it's not just luxury fancy  
18 buildings, Mr. Oseé.

19 Additionally, despite asking your office over the  
20 course of a year now, almost, for information about  
21 whether or not this would affect Co Op and  
22 condominium taxes in New York City, I've received no  
23 actual research or response.

24

25

2 So, condos and co-ops in New York are taxed based  
3 off the comparable rental properties in their  
4 neighborhoods.

5 So, as we know that rents will rise from this  
6 legislation, so too will the property taxes of co-op  
7 and condominium owners in every borough of the city.

8 So, you're proposing legislation here today that  
9 has not only, you know, unintended-- unintended  
10 problems for renters, both market and rent  
11 stabilized, but also unintended problems for co-op  
12 and condo owners. And despite asking your  
13 legislative director--

14 CHAIRPERSON MENIN: Okay--

15 COUNCILMEMBER OSSÉ: You did speak to my office a  
16 couple weeks ago.

17 MR. JOHNSON: And I never received-- I was told  
18 in writing on August of last year that your office  
19 was going to do research on the matter, and they're  
20 going to send me your findings. I have the e-mail.  
21 I'm happy to send it to you.

22 COUNCILMEMBER OSSÉ: You had a followup  
23 discussion with Elijah Fox a couple weeks ago.

24

25

2 MR. JOHNSON: That's not-- That was a discussion  
3 with no findings whatsoever. You specifically said  
4 you would have research with findings.

5 COUNCILMEMBER OSSÉ: I think we disagreed with  
6 your points, but-- but I don't think there were no  
7 findings within that conversation, but thank you for  
8 your testimony.

9 MR. JOHNSON: I think if you can't remember what  
10 you said on Tiktok, I think maybe you might be  
11 misremembering this as well.

12 CHAIRPERSON MENIN: Okay, thank you very much.  
13 We are now officially recessed. We will resume at  
14 345 at 250 Broadway. Thank you.

15 [GAVEL]

16 [RECESS]

17 CHAIRPERSON MENIN: I want to thank everyone for  
18 their patience in relocating over to 250 Broadway.  
19 So I am now going to call the first panel. I  
20 recognize some people might not be here, but I will  
21 call the first panel and see. The first panel is  
22 Nick Tigason, Amber Gulyati, and Boris Youssefov.

23 If you could just identify yourself-- Yeah, just  
24 so-- Wonderful. Thank you so much. That's so  
25 helpful. Thank you.

2 [BACKGROUND VOICES]

3 CHAIRPERSON MENIN: Oh, okay. Brief Pause,  
4 please. Thank you.

5 We are going to resume. Thanks everyone for  
6 their patience. Okay, please begin.

7 MR. YOUSSEFOV: My name is Boris Youssefov. I am  
8 the oldest son of Jewish immigrants to New York City.  
9 I am-- I support a family of six. It's me, my two  
10 parents, and my three siblings. My dad works. My  
11 sister works. I work as an attorney in the city. We  
12 have a combined income of over \$250, I assume,  
13 something like that. And yet we cannot-- They cannot  
14 move out from me. My parents can't move out. My  
15 sister can't move out. My siblings can't move out.  
16 Yes, because the prices are crazy. Yes, because of  
17 inflation. But also yes, because of predatory  
18 practices around the broker fees in New York.

19 Over the last three years, different members of  
20 my family couldn't move out, and they tried, and they  
21 couldn't specifically because of the fees,  
22 specifically because of the fees.

23 The opponents of the bill claim to be the  
24 champions of free market and free choice.

25 Unfortunately, the market is only free. If all the



2 parties have leverage. In the current market, it's  
3 only the landlords who have leverage, and they abuse  
4 that leverage, and they use the brokers to enforce  
5 their will.

6 One of the opponents of the bill has made a big  
7 fact out of the fact that the longer landlords are  
8 not here to oppose the bill, it means that they must  
9 be in support of it, because it will raise the  
10 prices.

11 Landlords are not there, when I go to see the  
12 apartment. They have other people to do their  
13 bidding. We have REBNBY here who represents  
14 landlords, frankly speaking, and they do their  
15 bidding. They bring these people here because they  
16 don't like the bill. The landlords don't want to  
17 lose the leverage. The flexibility that renters will  
18 get from this law is immense. It's not the only  
19 choice. It's not the only solution. We require  
20 more, but this is an important step. It gives more  
21 flexibility to the renters.

22 CHAIRPERSON MENIN: Thank you very much.

23 Okay, next panel, Gabrielle Guerrero, Tiffany  
24 Burt. Any of them here? Okay, not here. John  
25 Willis, Moirin Pervin, Andrew Funk. If you wouldn't

2 mind just identifying yourself, please, so we know  
3 who is not here.

4 MR. FUNK: I'm Andrew.

5 Okay, this is on. Am I good?

6 Okay, hi. My name is Andrew Funk. I'm a real  
7 estate agent here in New York City. I'm also a  
8 resident of District 4, and I'm in support of Intro  
9 360.

10 I've been practicing real estate for the past  
11 year, and I have 100% only done rentals, specifically  
12 on the tenant side, representing tenants and  
13 transactions.

14 I think real estate agents can bring a lot of  
15 value to the transaction in terms of providing  
16 tenants access to resources that they don't have  
17 access to without an agent, being able to do work for  
18 them on their behalf if they're not available to do  
19 so, maybe they're moving from out of the state.

20 However, those tenants that I've worked with have  
21 chosen to hire me, and elected to utilize my  
22 services, and agreed to pay me up front.

23 Tenants that I think are going through the  
24 process on their own and finding themselves backed in  
25 these corners where they are forced to pay the fees,

2 I do think it's absolutely egregious, and I do think  
3 it's a-- an extortive measure that landlords and  
4 owners are taking, capitalizing on this issue of  
5 supply and demand.

6 That is where, historically, brokers fees come  
7 from in this city, is we have an issue of supply and  
8 demand, and so therefore we have a group of people  
9 that are taking advantage of that issue, and  
10 utilizing it to essentially enforce fees on people  
11 that didn't ask for those services.

12 Also, I would just like to point out, I think  
13 behind the curtains and behind the scenes, there's a  
14 lot of like, illegal practices and extortion that's  
15 taking place, as we mentioned before. You know, when  
16 landlords and owners are paying their agents, it's  
17 one month when agents take that fee to the market and  
18 force a tenant to pay, it suddenly becomes 15%.

19 When we talk about agents utilizing that fee in  
20 an effort to prevent other agents working with  
21 tenants, and, you know, not letting them come see the  
22 inventory, saying, "I don't want to co-broke with  
23 you. I've gotten too many direct deals, so I'm not  
24 interested in working with you." So it actually  
25 it's--

2 [BELL RINGS]

3 Yeah.

4 CHAIRPERSON MENIN: Thank you. Thank you very  
5 much.

6 Okay, going to call the next panel. Delaney  
7 Maisel, Abigail McNeely, Lociaco Enzo.

8 MS. MAISEL: Hello? Hello. Good afternoon  
9 committee. My name is Delaney Maisel. Thank you for  
10 taking the time to listen to me speak. I'm a native  
11 New York City resident who was born and raised in  
12 mid-income affordable housing in Greenwich Village.  
13 I am a teacher, and an actor, and a singer who would  
14 be considered low income.

15 In order to move out of my parents' apartment, I  
16 am pretty much reduced to search for an apartment  
17 that is affordable and stabilized. I recently had an  
18 experience with a stabilized pre-war unit in Crown  
19 Heights Brooklyn. The unit was \$1,500 a month, and  
20 the broker let me know that because of the high  
21 interest in this unit, they were asking for a \$5,000  
22 broker fee. That is almost 30% of the yearly rent  
23 for this unit. He also let me know that many other  
24 people were willing to pay this, which intimidated me

2 into not seeing the apartment at all. Less work for  
3 him.

4 When brokers fees act as a barrier to entry, even  
5 for affordable units, and are dynamically priced  
6 because they are affordable, that is a predatory  
7 practice. This creates a hostile environment for  
8 artists and low-income workers who have historically  
9 been the backbone of this city. It makes New York  
10 into a city only the richest can afford. New York is  
11 already becoming a billionaire's playground, with  
12 lots of people from out of state, out of country,  
13 moving in, driving people out, who have lived here  
14 our whole lives. I am one of the people who has  
15 grown up in this city and cannot afford to even move  
16 out, because of these upfront fees being such a  
17 barrier to entry, to getting into any-- any  
18 apartment. It's hard enough to get approved. It's  
19 hard enough to even pay the rent. To have to pay  
20 upfront fees is simply not feasible. And for people  
21 who are artists, who are trying to make the city  
22 something less than just full of finance people, it  
23 makes it extremely difficult. Thank you.

24 CHAIRPERSON MENIN: One question for that-- for  
25 the \$5,000 fee that you recorded, was there anything

2 in writing on that? How was that communicated to  
3 you?

4 MS. MAISEL: Through text.

5 CHAIRPERSON MENIN: Text, okay, thank you very  
6 much. Thank you. Thank you. Next panel. Celia  
7 Weaver, Gordon Lee, and Sharon Brown.

8 MR. LEE: Good night, everyone. My name is Mr.  
9 Gordon Lee from Kings, Brooklyn County. You can also  
10 call God. I'm a member of all the activist groups  
11 because I like to support important causes. And I  
12 was one of the children who was born when the country  
13 was protesting President Nixon, June 23 of 1973, as  
14 well as vice president, Gerald Ford. I was born in  
15 Broward County, Fort Lauderdale City, Florida, and I  
16 came to Kings, Brooklyn County, New York City, 1977  
17 when they elected Gerald Ford, and-- I mean James  
18 Carter and Gerald Ford left office, and I grew up  
19 here under the Reagan presidency.

20 And now I'm here like everyone else, because I  
21 also take issue with forced broker fees and rising  
22 rent, not only I cannot afford it, but I don't feel  
23 that-- we don't feel that I'm getting we're getting  
24 our money's worth. We often don't get repairs that  
25 we need. Instead that, you know, we get forms of

2 nasty attitudes, um, from landlords, you know. We  
3 call them for help, you know. Some of them, and they  
4 just, they just act critical of us instead.

5 You know, they were, there's been talk about, um,  
6 mentioning the people who are physically abused by  
7 landlords. And something else. I don't know if  
8 anyone in here is aware of this, but I read the  
9 papers--

10 [BELL RINGS]

11 CHAIRPERSON MENIN: Okay. Thank-- Thank you very  
12 much for your testimony. Thank you. We are going to  
13 call the next panel. Benjamin Besl, Justin DeGulio.  
14 Okay. Benjamin Besl, B-E-S-L? No? And Justin  
15 DeGulio. You just-- Okay. Thank you.

16 MR. DEGULIO: Can you hear me? All right. All  
17 right. Just taking some notes. You start the timer.  
18 I wasn't planning to speak today. My name is Justin  
19 Degiulio. He/him. I'm a former owner of an  
20 independent brokerage. I started a brokerage in  
21 2015. I've hired and trained over 1000 agents.  
22 We've closed thousands and thousands of rental deals.  
23 We have a 95%-plus five-star review rating. We have  
24 a very good review on Yelp and Google. I've heard a  
25 lot of compelling points today made by brokers with

2 very little questioning and engagement by the panel  
3 here. It was a little curious to me, so I started  
4 taking some notes.

5 The city continues to push costs on to landlords,  
6 which is only going to continue to increase the cost  
7 of rent. To me, it doesn't seem fair whatsoever to  
8 be pushing the cost of a broker entirely onto the  
9 landlords. Advocates for this bill are saying that  
10 renters are forced into paying broker fees, when  
11 we've seen the reality demonstrated today, there's  
12 quite a few units that are no fee. To me, it's--  
13 it's like saying you're forced to pay \$60,000 for an  
14 Audi. It does not make any sense. Renters have  
15 options. And yes, the no-fee options are higher.  
16 And that's what we're afraid of, is that as we push  
17 that cost to landlords, the rent is going to  
18 increase.

19 I've heard a lot about bait-and-switch. Tenants  
20 coming to look at apartments thinking they were no  
21 fee, and then finding out that they are fee. I've  
22 never heard of that before, and I've worked with  
23 thousands and thousands of agents. I think it's  
24 pretty clear online. That could be something that we  
25 could have a discussion about in a separate bill,



2 whether the apartments are labeled as fee or no fee.  
3 I noticed on Zillow and StreetEasy there's a no fee  
4 tag, but it does not tell you "fee", when there is a  
5 fee. So I can understand maybe some confusion there.

6 I've worked with a lot of internationals,  
7 refugees, people with bad credit. The 2019 law was  
8 very detrimental to them. Either they were priced  
9 out-- or they were not priced out, but they don't  
10 have an option, they're not going to be considered,  
11 or they have to pay an extra cost to insure under  
12 guarantors or third party.

13 I understand this would be a big Councilman-- I'm  
14 sorry, "Big Councilman". I'm reading my notes.  
15 Understand, be a big win for you. It's a-- It's a  
16 new bill. You're championing it. But I don't think  
17 that it's a good fit for the city. I think it's an  
18 agenda-driven bill, and I think there's a lot of  
19 legislation we could rewrite that would solve this  
20 problem a lot better.

21 CHAIRPERSON MENIN: Thank you. And sir, were you  
22 called on the panel? Your name-- Oh you were?  
23 Okay. Terrific. Wonderful. Thank you.

24 MR. ELLIS: Hi. My name is Benjamin Ellis, a 20-  
25 year veteran of the real estate industry. I've

2 watched multiple ups and downs in the market, and the  
3 fees that have tracked those ups and downs. They are  
4 tied to market economics. They are fully negotiable.  
5 I can't tell you how many times I've seen or  
6 negotiated my own fee, or seen my agents negotiate  
7 their fees.

8 I'm here to kind of offer up some solution,  
9 rather than to just repeat kind of what we've been  
10 hearing over and over again. I think we have two  
11 systemic issues: One is we have a problem with  
12 affordability. That's the kind of pattern that I'm  
13 hearing a lot of this testimony. That affordability  
14 is not is a is a market-driven affordability, as  
15 admitted by the person sponsoring the bill, Mr. Ossé.  
16 That affordability complex will not be solved by  
17 targeting a third party, the third party being the  
18 brokerage industry, which is there to, as a state-  
19 regulated entity, create transparency.

20 The-- The market will shift with the fee. The  
21 problem is because of the affordability issue (and it  
22 is a very basic supply and demand problem) the city  
23 makes it very, very difficult to build housing. That  
24 is also mirrored simply in the fair housing voucher  
25 forms, which should be a boon, because they were just

2 raised to accommodate rents, more affordable for the  
3 people receiving those Fair Housing vouching forms.  
4 However, there's no standardization of process, and  
5 therefore the brokerage community is left to be the  
6 ones holding the bag, trying to navigate a myriad of  
7 different issues within these vouchers to create  
8 value for those tenants.

9 If we could create a standardization for that, it  
10 would help with affordability, because more people  
11 would actually be able to utilize the vouchers which  
12 they should be able to use.

13 The second part of this is affordability based on  
14 supply and demand. The city simply hasn't done  
15 enough to create more housing units. That is the  
16 only thing that will bring down rent. The 2019 law  
17 essentially caused a warehousing of units, driving  
18 prices up for renters. This law will have a  
19 similarly unintended effect, as well-intentioned as  
20 it may be. And I think, for the purposes of how the  
21 city moves forward, is a dereliction of their duty  
22 not to create incentives for developers to build more  
23 housing to address the affordability issue.

24 Thank you for your time.

2 CHAIRPERSON MENIN: Thank you. Okay, one second.

3 We have-- Zoom. Okay. Thank you very much to this  
4 panel. We're now going to Zoom panel. The first  
5 panel is Ajifanta Morena, then Alexander Seekely, and  
6 Christopher Leon Johnson are all in the first panel.  
7 So...

8 SERGEANT AT ARMS: You may begin.

9 MS. SEEKELY: Hi. Hello, my name is Allie. I  
10 live in Queens. I'm just an ordinary person who  
11 needs a place to live. When I was a child. I always  
12 dreamed of living in the big city, and eight years  
13 ago, I moved to New York City. I lived with  
14 roommates for seven years, but finally moved into my  
15 own place last year. I was shocked to learn that I  
16 had to pay a \$3,000 broker's fee when all the broker  
17 had done was let me in to see the apartment.

18 For most of the years that I've lived here, I  
19 only made \$30,000 per year, about \$18,000 after  
20 taxes. \$3,000 was a huge sum of money for me when I  
21 felt like I did all the work myself.

22 My story is far from unique. I only found out  
23 today that you can negotiate brokers fees.  
24 Naturally, the brokers did not tell me that. I just  
25 wished I'd had a choice about hiring the broker, and

2 that's exactly what the FARE Act does. It gives  
3 tenants like me who can't afford a broker a choice  
4 about whether to hire one. All we want is a choice.

5 The icing on the cake was when my broker couldn't  
6 even meet me to give me the keys. She left them at a  
7 restaurant for me to pick up.

8 Thank you for your time.

9 CHAIRPERSON MENIN: Thank you very much. Just  
10 one second, please.

11 Okay. Is Christopher Leon Johnson on? Okay.

12 MR. JOHNSON: Yeah, I'm on. I'm on.

13 CHAIRPERSON MENIN: You're up.

14 MR. JOHNSON: Hey. Can you hear me? Hello.  
15 What's up, everybody. It's Christopher Leon Johnson  
16 here. So I'm here speaking on-- as opposition to  
17 this bill. I'm-- I'm against the bill Intro 360, and  
18 I'm going to explain why. Because the reason what's  
19 going on is Chi Ossé, as a Councilmember, I believe  
20 he's only doing this to appease certain special  
21 interests, such as Opening New York For All, and  
22 Trans or Open Plans and all these other so-called  
23 tenant advocacy nonprofits, that doesn't really  
24 advocate for the tenants the right way.

2 Like we got to keep real with this right? I  
3 sell-- I used to sell insurance 10 years ago. And,  
4 you know, like I said, as an agent, and you know, the  
5 brokers have to make their money. The agents got to  
6 make their money too.

7 If you get-- If you put this bill-- let this bill  
8 go through, guys, the agents won't make a lot of  
9 money. The brokers won't make a lot of money,  
10 because, yeah, even if the landlords are forced to  
11 hire a broker themselves, and they got to pay the  
12 broker fees, it's going to be passed on to the  
13 tenants. And you might not think that they might not  
14 pay it at one spot right at the-- at the moment, but  
15 they'll pay it time in and time out, and it'll build  
16 up. And there's no guarantee that a tenant will make  
17 those payments, because we don't know how it goes.  
18 You can get a lease, and you can break a lease  
19 because of non-payments, and you litigate it.

20 So, like I said, this bill is a bad bill. We got  
21 a housing crisis in New York City, the way you solve  
22 the housing crisis is building more housing, right  
23 housing. Not housing that's going to benefit Open  
24 New York For All, where people pay \$5,000 a month in  
25 rent.

2 You know these people that that so-called  
3 advocate for tenants, like Crown Heights Tenant  
4 Union, and all these other non-profits, they want to  
5 complain about paying \$10,000 for broker's fee, but  
6 won't they get at [inaudible] for all for advocating  
7 to make people pay \$5,000 a month in rent.

8 But zingers you've got to-- you can't-- this bill  
9 cannot go through. I'm against the bill. You know,  
10 we got support REBNY guys with this bill, um, being  
11 killed. It's an ineffective bill. We have to solve  
12 the housing crisis in other ways.

13 [BELL RINGS]

14 You've got to pass-- introduce bills to really  
15 solve the house crisis, not introducing bills--

16 CHAIRPERSON MENIN: Okay. Thank you very-- Thank  
17 you very much. Thank you. Thank you.

18 Okay. I believe Ajifanta Marenah has come back  
19 on.

20 MS. MARENAH: That's me. That's me.

21 SERGEANT AT ARMS: You may begin.

22 MS. MARENAH: Hello. Good evening, everybody. My  
23 name is Ajifanta Marenah. I'm the Advocacy Program  
24 Manager at Muslim Community Network. I'm here today  
25 to express my support and the organization's support

2 for the FARE Act. We believe that this allows for  
3 housing justice in New York, it allows for fair  
4 housing access and it allows for equity in housing--  
5 in the housing system in New York.

6 The Muslim community network has a Muslim woman  
7 empowerment program, which caters to Muslim women all  
8 around New York who make on average, \$20,000 to  
9 \$30,000. When we surveyed them, we found that on--  
10 one of the top issues impacting the woman is housing.  
11 Some of these women experience domestic violence, and  
12 the only way to leave if is if they're able to get  
13 housing. But with brokers fees, it makes it  
14 impossible for these women to get housing in New  
15 York. If someone is making on average, \$20,000 to  
16 \$30,000, but required to pay at least \$10,000 to be  
17 able to get housing, it is not feasible, and it is  
18 not possible.

19 We need to make housing affordable in New York.  
20 We need to make it accessible, and we need to make  
21 sure the process is fair and equitable. And so for  
22 that reason, we thank Councilmember Chi Ossé for  
23 introducing this bill, and we strongly support the  
24 FARE Act. Thank you.



2 CHAIRPERSON MENIN: Thank you. And now there's  
3 another panel on Zoom, so I will read the names.  
4 Jared Gold, Miranda Coplin, Summer Omar, Neil Cajo,  
5 and Lucy Sexton. So I'm going to start with, in  
6 order, Jared Gold, if you are on, if you could please  
7 begin. Jared Gold.

8 SERGEANT AT ARMS: You may begin.

9 MR. GOLD. I thank you. Sorry. I wasn't  
10 unmuted. Good afternoon, Chairman and members of The  
11 Committee. So much of this hearing before the  
12 intermission felt like artisanal double speak.  
13 Anyone who has ever interacted with an owner-side  
14 broker knows that they-- most or many, do not provide  
15 any of those high-minded helpful services that the  
16 advocates claimed they provide.

17 I've lived in Queens for a little while, I've  
18 only paid two broker fees in my life. But while  
19 moving I've interacted with dozens of brokers, and in  
20 all but one single case, the broker has offered  
21 nearly nothing to me. They opened the door. Several  
22 times the broker told me that I could have the  
23 apartment if I paid more in the broker's fee (not  
24 more in the rent, just more in the broker's fee),  
25 just money straight to their pocket.

2 Once, a broker told me that he had another offer  
3 from another candidate, but he liked me, so the no-  
4 fee unit became a half-fee unit. I don't know how to  
5 describe any of that, but straight extortion.

6 I appreciate the hardship that the brokers would  
7 experience if this bill passed, but as the committee  
8 well knows, the status quo is not worth preserving  
9 simply because it is the status quo. And anyone who  
10 looks at the real estate status quo would observe  
11 that brokers who contribute so little to tenants, but  
12 extort thousands of dollars from them, will  
13 eventually be outmoded, maybe by legislation, likely  
14 by technology, and these inefficiencies and arbitrage  
15 maximizing middlemen don't exist in the long run,  
16 they just don't.

17 It's not the job of this council to bail out  
18 brokers who made career decisions based on the  
19 assumption that their racket would continue forever.  
20 It's time to move on to a more modern system of  
21 housing distribution. I'd urge the committee to  
22 adopt the FARE Act. Thank you.

23 CHAIRPERSON MENIN: Thank you. Next is Miranda  
24 Kaplan. Miranda Coplin, if you're on.

25 SERGEANT AT ARMS: You may begin.

2 MS. COPLIN: Can you hear me? I am here as a New  
3 York City resident to support the FARE Act. I have  
4 lived here for about six years, and my partner was  
5 born and raised here, and I have watched my partner's  
6 family be systemically priced out of their own  
7 neighborhood in Brooklyn due to not being able to pay  
8 ridiculous fees that are often dropped on them at the  
9 last second. And my partner and I have been unable  
10 to move out of their family home because we can't  
11 find places that are within our price range that come  
12 without fees.

13 And it's just a very hard struggle, and this is  
14 one step towards making finding an apartment in New  
15 York a little bit more equitable. So I support it.  
16 That's all for me.

17 CHAIRPERSON MENIN: Thank you. Next is Summer  
18 Omar.

19 SERGEANT AT ARMS: You may begin.

20 MS. OMAR: My name is Summer Omar. I'm a public  
21 interest attorney, and I wanted to strongly support  
22 the FARE Act.

23 As other people have already said, we're living  
24 through the most profound housing affordability  
25 crisis of this generation. Each day, you can see a

2 new headline that sounds the alarm about the depth  
3 and severity of this crisis. More than half of  
4 renters are rent burdened. A majority can't pay rent  
5 and make ends meet to put food on the table, and  
6 otherwise live their lives with some measure of  
7 dignity.

8 New Yorkers can barely shoulder the cost of  
9 living day-to-day, let alone paying for the services  
10 of someone they did not hire. Each new fact and  
11 figure about how punishing the city is becoming  
12 should inspire bold, courageous action.

13 Through the FARE Act, Councilmember Ossé is  
14 answering that call to action, and you can see  
15 through all this testimony, clearly New Yorkers are  
16 glad that somebody has the audacity to stick their  
17 neck out for us, not for lobbyists, not for special  
18 interests, but for the people that the City Council  
19 has the privilege and obligation to actually  
20 represent.

21 I'm hopeful that this bill will pass, and I'm  
22 also optimistic that for every other council member  
23 that's watching this unfold, you're inspired to  
24 similarly steel your backbone, appreciate the gravity  
25

2 of the moment we're living in, and fight for us.

3 Thank you.

4 CHAIRPERSON MENIN: Thank you. Next speaker,  
5 Neil Cudjoe.

6 SERGEANT AT ARMS: You may begin.

7 MR. CUDJOE: I'm unmuted? Yeah, good afternoon.  
8 Neil Cudjoe, real estate broker, and I'm-- I'm for to  
9 stop the Intro 360. I'm-- I was there, and I'm  
10 hearing a lot of this testimony. People don't have  
11 to go through a broker, you know? You could look for  
12 an apartment yourself.

13 You know when-- when I first came into New York,  
14 I've been in New York 20 years, and when I first came  
15 to New York, I found my own apartment by knocking on--  
16 - door to door and finding the owner to-- to give me  
17 the listing to help a family member of mine get an  
18 apartment. And I did that for myself to find my own  
19 apartment, you know? I hear a lot of people say, "I  
20 found an apartment myself." No. These brokers did  
21 the-- went from door to door, made the phone calls,  
22 called 100 numbers to get the listing, to go to the  
23 apartments and the houses and take pictures and put  
24 them-- and to pay to advertise these-- these units.  
25 The-- the brokers are the ones that did the work.

2 You know, I'm hearing that a lot. Like, "I found it.  
3 I found it myself. I went online. Saw it myself."  
4 But the broker is the one that did the footwork to  
5 put the ad online and me, what I feel-- I feel that  
6 the reason why-- why the rents are so high is mainly  
7 because of the that 2019 Bill, you know, because it's  
8 true. You have a lot of landlords warehousing  
9 apartments, and you have few vacancies and, and  
10 brokers are charging-- charging fees, you know? Like  
11 they only have a few apartments where they could  
12 charge fees on.

13 [BELL RINGS]

14 CHAIRPERSON MENIN: Okay. Thank you very much  
15 for your testimony today. And we have one more  
16 panelist on Zoom, and then I'm going to read through  
17 every single person who signed up, who we didn't hear  
18 from, to make sure we did not miss anyone. Lucy  
19 Sexton.

20 SERGEANT AT ARMS: You may begin.

21 MS. SEXTON: Okay, thanks so much. I'm Lucy  
22 Sexton. She/her. I'm with New Yorkers for Culture  
23 and Arts, a coalition of 400 individual artists,  
24 small organizations, and large institutions. I'm  
25 here to speak on behalf of artists.

2 The housing crisis for artists is critical, and  
3 artists are the industry workers of this town. The  
4 creative economy is 13% of our economy. These are  
5 your workers, and increasingly they cannot afford to  
6 live here. Dance NYC recently did a survey that said  
7 that the typical dancer works four to five jobs and  
8 has a household income, with the other people they  
9 lived with, totaling \$50,000. They also have to move  
10 more often because there's so few apartments that are  
11 rent stabilized. That means they are facing these  
12 huge, one-time fees. It requires access to capital.  
13 And you heard other people testify today. They had  
14 access to capital because they had families that had  
15 money.

16 This is the inequitable system where a working  
17 kid who is here trying to make their living as a  
18 dancer, who comes from New York, who comes from a  
19 working class family, does not have that access to  
20 capital, and can't afford that barrier of getting  
21 that-- those broker fees. And this is a real  
22 barrier. And this is a critical problem. In the  
23 last five years, we have lost 25% of our teaching  
24 artists have moved out of New York City.

2 New York City without artists is going to be New  
3 York City without a creative economy. That is going  
4 to take \$110 billion. That is what the creative  
5 economy generates.

6 So, this is a workforce worth investing in, worth  
7 protecting any way that you can. And of course, it's  
8 a larger problem. This is only one piece of it, but  
9 it's an important piece of it, and it's a real  
10 barrier. So, removing that barrier will make it more  
11 possible for artists to continue to live and work and  
12 thrive here in New York City. Thank you for  
13 introducing this bill. We are definitely in favor of  
14 the FARE Act.

15 CHAIRPERSON MENIN: Thank you very much. Okay,  
16 I'm now going to read through the list of everyone  
17 who signed up but has not yet testified to make sure  
18 we didn't miss anyone.

19 If you are here and you do not hear your name  
20 called and you wish to testify, please go see one of  
21 the Sergeants, who is raising his hand right there,  
22 and let him know. Or if you're on Zoom, just raise  
23 your hand.

24 Okay, bear with me. Shanna Walla, Doug Albert,  
25 Shannon Lucitra, Ruth Patterson, Jean McCoon,



1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 313  
2 Gianpaolo Pernicone, Maxwell Fleishman, Shakim Hinz,  
3 Kiala Fai, Shreya Wadawa, Michaela Everett, Thomas  
4 Jaluka, Kadisha Pickney, Sheena Sam, Urdiana Cebulos,  
5 Rah Landram, Katie Wolf, Rodell Rodriguez, Zachary  
6 Thorpe, AJ Parker, Albin Henneberger, Alyssa White,  
7 Charles McCraron, Mikaela Rore, Miranda Hernandez,  
8 Sperki Brethwaite, Quinn Parker, Kayla Sinclair,  
9 Ashley Rivera-Cobo, Benjamin Tamerin, Valerie  
10 Gordizenda, Emoni Kolpama, Michelle Villa-Gomez  
11 Mieto, Christine Sanders, Mildred Tompkins, Cassandra  
12 Smith, Quinn Van Ravat, Kiana Connelly, Antoine  
13 Besan, Regine De Cosard, Michael Kala, Yin Yang,  
14 Nicholas Lamis, Deasha Almodovar, Tashina Brignell,  
15 Rashida Landrum, Rima Desai, Matthew Weisberg,  
16 Whitney Hu, Ayzad Tenweir, Winsome Pendergrass,  
17 Cynthia Novis, Marshall Madsen, Edward Siegel,  
18 Miranda Copeland, Emily Hanson, Stephanie Potager,  
19 Robert Romanian.

20 Okay.

21 You didn't hear--? Okay. So do you want to just  
22 fill out-- If you could go to the sergeant and fill a  
23 card out, please, then you can testify.

24 Yeah, if you could just-- If there's-- Again, if  
25 there's anyone here and you didn't hear your name

2 read, and you wish to testify, just please fill a  
3 card out, and then We will call you.

4 Thank you. Okay. Amber Guidati.

5 Let's go ahead.

6 MS. GUIDATI: Thank you. Sorry. I'm a New York  
7 City resident. I currently live in Queens. Chi Ossé  
8 is not my representative, but he is today, so thank  
9 you.

10 And I just wanted to say that I had a written  
11 testimony that I scrapped because I've been here  
12 since 8:00 a.m. and listened to everybody. And I  
13 feel-- Yeah, I feel quite delusioned by the  
14 experiences that folks in the opposition have stated.  
15 I feel as though there's not great representation for  
16 the actuality of what younger folks are experiencing  
17 when they're moving between apartments or in the city  
18 for the first time.

19 I can say myself that my partner and I have been  
20 here for eight years, and we have paid nearly \$12,000  
21 in broker fees alone. Not moving costs, not first,  
22 last. Security broker fees alone. And it has been  
23 devastating. We've been here the entirety of COVID.  
24 We've dealt with landlords. We've done the whole  
25 back-and-forth. And the reality is, every single

2 time that we've had to deal with a broker, we can  
3 barely get them to respond to any messages. We  
4 barely get them to show up.

5 It has been a nightmare, and I feel like we have  
6 not been straight up about this, especially for you  
7 know younger millennials that are here. I don't know  
8 what millennial has \$10,000 to \$20,000 in a savings  
9 account. It's just non-existent, especially given  
10 inflation, where in some neighborhoods, milk is \$10,  
11 \$11, \$12 a gallon. It's just not the reality.

12 So, I wanted to speak for those that didn't get  
13 to speak today that are probably in that situation.  
14 There was also a comment made earlier about how  
15 brokers and people in the real estate industry were  
16 here on their own time. I am not at work today. The  
17 500 700 people that came out this morning and were  
18 outside also were not at work today and missed out on  
19 pay in the same exact way that the brokers did. So,  
20 I think that that's an important thing to note, and I  
21 thank you for your time. Thank you.

22 Okay. Thank you very much. And our last speaker  
23 before we close the hearing is Sharon Brown. You

24 MS. BROWN: Hello. My name-- Am I ready? My  
25 name is Sharon Brown. I worked in the real estate

2 industry out of New York City for Florida Properties.  
3 I'm noting also was one of the earlier speakers, it  
4 was done on Shavuot, which a lot of the Jewish people  
5 weren't able to come out because it's a holy day. So  
6 let's take that into account when we're doing stuff  
7 with this bill.

8 I also want to say, defend Israel, release the  
9 hostages, let Yaweh's people go. Defend Israel.

10 Okay, so the landlords, they need to make sure  
11 that the fees are up front from the brokers between  
12 the two of them, but the landlords don't seem to have  
13 a big problem between what the brokers are doing. So  
14 the brokers need to make it clear what charges they  
15 have for people that are going to be using their  
16 services. They can't have hidden fees. If they're  
17 going to have fees, they have to let everyone know  
18 what is going on. It can't be hidden costs for the  
19 tenants, they should know if it's going to be a  
20 sliding fee, if it's going to be a flat fee. If they  
21 want to find houses, people that are landlords should  
22 not turn them away because of the fact that they want  
23 to force them to go to a broker, and then some of the  
24 landlords are getting a kickback when people have to  
25 use a brokerage firm to come to them. Some of the

2 landlords are friendly with the brokerage firm, so we  
3 have to make sure-- and we don't want it to be  
4 abusive on all three sides.

5 So they need to come to the table and do some  
6 kind of bargaining where it will help all of them.  
7 I've been on all sides of the argument. I worked in  
8 the real estate industry. I've been a landlord and I  
9 have been a tenant, and it need-- they need to have  
10 bargaining where they come together. No hidden fees.  
11 No hidden costs. That's what should happen there.

12 [BELL RINGS]

13 Thank you.

14 Defend Israel. Release the hostages--

15 CHAIRPERSON MENIN: Okay. No no. We cannot--

16 Okay. Everyone has their two minutes so, yeah--

17 MS. BROWN: [inaudible]

18 CHAIRPERSON MENIN: No, no, no, no, no, no, no.

19 We're not going to do this.

20 Okay. First of all, I really want to thank  
21 everyone for their patience. We had unbelievable  
22 testimony today. I think no matter where one stands  
23 on the bill, I thought it was just so great to see  
24 the kind of civic engagement that we saw, where  
25 people stayed with us, literally, to 4:30. So I just

2 want to thank you for doing that. We take all of  
3 this testimony incredibly seriously.

4 People also have the right to submit testimony  
5 within 72 hours of this hearing. So, I just want to  
6 make sure people know that. We're going to take all  
7 of this under advisement and continue conversations.  
8 Before I turn it over to my colleague for any closing  
9 statement he wants to make, I do want to say, for  
10 those of you that were in the beginning of the  
11 hearing, imposed a 5:00 p.m. deadline on the  
12 administration to give us their data. They have  
13 indicated that we are going to get something before  
14 5pm so we will-- at a later time. We are going to  
15 close the hearing. We're not going to keep it open  
16 for that. But we will share that data as soon as we  
17 get it. So once again, I want to thank everyone for  
18 coming out today. And I now want to turn it over to  
19 my colleague, Councilmember Ossé, for any closing  
20 statement.

21 COUNCILMEMBER OSSÉ: Thank you so much. Can you  
22 guys hear me? Thank you so much, Chair Menin, and to  
23 everyone that came out to testify today, whether in  
24 support or against. I know a lot of us are working  
25 people and have jobs. So, for people to take the

2 time out of their days from 8 a.m. to wait until now  
3 to testify is wonderful, and really appreciative.

4 You know, this bill is necessary, and I think we  
5 heard that from a sizable amount of people today.

6 You know, through the support of labor unions,  
7 immigration organizations and regular tenants in New  
8 York City, this seems to be a top priority for the  
9 council's legislative agenda, and I really hope that  
10 we get it past the finish line.

11 This is not an anti-broker bill. I think I've  
12 said that multiple times throughout this hearing,  
13 even in the hiring of a broker myself. But I just  
14 don't believe that anyone should be forced for some  
15 force to pay something for something that they didn't  
16 hire or order, and that's what this bill is trying to  
17 do. Thank you.

18 CHAIRPERSON MENIN: Thank you so much everyone.

19 This hearing is now closed.

20 [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 July 25, 2024