

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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October 1, 2014
Start: 10:28 a.m.
Recess: 12:24 a.m.

HELD AT: 250 Broadway - Committee Room
16th Floor

B E F O R E: JUMAANE D. WILLIAMS
Chairperson

COUNCIL MEMBERS:

Rosie Mendez
Ydanis A. Rodriguez
Karen Koslowitz
Robert E. Cornegy, Jr.
Rafael L. Espinal, Jr.
Mark Levine
Antonio Reynoso
Helen K. Rosenthal
Ritchie J. Torres
Eric A. Ulrich

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

Vito Mustaciuolo, Deputy Commissioner
Enforcement and Neighborhood Services
Department of Housing Preservation and
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Ann Marie Santiago, Associate Commissioner
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Ezra Kautz, Housing Attorney
Make the Road New York

Harvey Epstein
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Delsenia Glover,
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Cathy Dang, Executive Director
Communities Against Anti-Asian Violence
CAAHV, Organizing Asian Communities

2 CHAIRPERSON WILLIAMS: [gavel] Good
3 morning and apologies for the late start. There are
4 seven meetings going on today. I was at one of them.
5 I apologize. We will probably see some more of my
6 colleagues and committee members in an out. There
7 are several committee meetings going on at the same
8 time. My name is Jumaane Williams, Chair of the
9 Council's Committee on Housing and Buildings. I'm
10 joined today by Council Members Reynoso and Torres.
11 Today, we'll be discussing two bills that are part of
12 the Quality Housing Act. Proposed Intro No. 345-A
13 sponsored by Council Members Reynoso and Garodnick,
14 and proposed Intro No. 348-A sponsored by Council
15 Members Torres and Reynoso. I'm going to give a
16 brief overview of the bills, and then we'll hear from
17 the Administration and members of the public.

18 Proposed Intro No. 345-A concerns the
19 Alternative Enforcement Program also known as AEP,
20 which requires the Department of Housing Preservation
21 and Development to identify at least 200 distressed
22 multiple dwellings, and to work with the owners of
23 such buildings to correct housing maintenance to
24 correct Housing and Maintenance Code violations.
25 This legislation would alter the AEP by providing HPD

2 with discretion to determine the criteria for
3 buildings to be included in the AEP, and by requiring
4 HPD to identify at least 280 buildings that meet such
5 criteria. It would also require owners of buildings
6 in the AEP to post a notice informing tenants of
7 their building's participation in AEP.

8 Proposed Intro No. 348-A concerns
9 inspection fees. Currently in New York City, if an
10 owner of a multiple dwelling is issued a third and
11 immediately hazardous violation for failing to
12 provide heat and hot water as required by the law,
13 HPD may charge a \$200 fee for each subsequent
14 inspection that results in a violation.

15 Proposed Intro No. 348-A would expand on
16 this by allow HPD to charge an inspection of \$200 per
17 each inspection that results in the violation where
18 HPD has previously performed three inspections in the
19 same dwelling within a 12-month period. Issued a
20 hazardous and immediately hazardous violation at each
21 inspect, and did not receive a certificates of
22 correction for such violations.

23 I would like to thank my staff for the
24 work they did in putting this hearing together
25 including Nick Smith, my Legislative Director; Jim

2 Wilcox; and Shidre Cadre [sp?], Counsels to the
3 Committee; Guillermo Patino and Jose Conde, Policy
4 Analyst to the Committee and Sarah Gastelum the
5 Finance Analyst to the Committee.

6 I understand that Council Members Torres
7 and Reynoso each would like to make a brief statement
8 concerning the respective bills. So at this time,
9 I'm going to invite them to do so.

10 COUNCIL MEMBER TORRES: I actually was
11 not intending to make a statement, but I'm make one.
12 I guess one of the first ones that 340-- The Housing
13 Quality of 348. I refer to it as the three strikes
14 rule. So if HPD inspects an apartment, and finds
15 either a hazardous or immediately hazardous
16 conditions. And the landlord fails to correct the
17 condition or certify with the legal timeframe, the
18 that's one strike. And if you have three strikes,
19 then every subsequent and similar inspection results
20 in a Class B or C violation, of which will go the
21 inspection fee. And so, we feel that this would
22 improve the ability of tenants to get repairs in
23 their apartments. It would create an incentive for
24 landlords to make repairs in the apartment. And, it
25 would recognize the fact that every time HPD has to

2 end an inspector to an apartment repeatedly that is
3 an expenditure of resources and time. And landlords
4 who repeatedly disregard the Housing Code should bear
5 that cost. And I think this bill is targeted. The
6 bill is not directed at every landlord. It's
7 directed at repeat offenders, those that repeatedly
8 fail to not only correct conditions, but certify
9 those corrections within a statutory timeframe. So
10 it's tough bill, but I think it's fair. And that's
11 the extent of my comment on the bill.

12 COUNCIL MEMBER REYNOSO: I guess I'll go
13 now. I just want to thank Chairman Williams and also
14 Nick from his office, and everybody that helped put
15 this together this quickly. And it's an extremely
16 important bill. I believe giving heat to HPD, and
17 other housing organizations that worked along side
18 us. And HPD was actually a partner in trying to
19 figure out what we can do best at several meetings.
20 So I just wanted to thank everybody for that, and
21 read a statement. As housing prices continue to rise
22 in New York City, our existing stock of affordable
23 housing is more threatened than ever. Mayor de
24 Blasio has committed to the preservation of 120,000
25 units of affordable housing in his new Housing Plan.

2 However, in rapidly gentrifying areas such as
3 Bushwick in my district, landlords are turning to
4 tactics of disinvestment that border on the criminal
5 in an effort to drive rent stabilized tenants from
6 their homes. And replace them with tenants who can
7 afford much higher rents.

8 When we attended our press conference
9 this morning, we saw examples of this negative
10 behavior, and heard from the tenants whose housing
11 has been preserved to the Alternative Enforcement
12 Program or AEP. You will be hearing from these
13 tenants again in today's hearing. Established as
14 part of the Safe Housing Act of 2007, AEP currently
15 requires HPD to identify 200 of the city's most
16 poorly maintained buildings based on Building Code
17 violations, and target them for repair. If the
18 landlord of an AEP building does not address
19 violations within four months, HPD will undertake the
20 necessary repairs on its own, and bill the landlord
21 for the cost. All indicators show that the program
22 is working as intended. As of 2012, out 800
23 buildings are identified for the AEP Programs, 52%
24 were repaired to a level meriting discharge from the
25 program. Of these, 25% have violations corrected by

2 landlords within four months with no resources from
3 HPD.

4 In a 2013 study by Make the Road New
5 York, it was found that a majority of tenants in AEP
6 buildings reported that their building's physical and
7 safety improved due to the participation of AEP. The
8 repairs allow tenants to stay in homes that may have
9 otherwise become so hazardous as to require a vacate
10 order. This year the City Council provided \$750,000
11 in additional funding for the AEP program. With this
12 allocation, it is possible for the program to expand
13 its reach to tenants in need. Intro 345 would allow
14 HPD to alter its AEP criteria in order to expand the
15 program from 200 to a minimum of 280 buildings with
16 the option of more to be added dependent upon
17 available funding.

18 We had originally proposed the doubling
19 of this number of 400 buildings. But in
20 conversations with HPD we realized that although the
21 new allocation could increase the staff and dedicated
22 to the AEP Administration and enforcement, the
23 funding available for actual building improvements
24 are currently limited to how much the program can
25 expand. Additionally, Intro 345 would require the

2 owner of any building in AEP to post a notice to
3 tenants in multiple languages indicating that the
4 building has been identified for participation. And
5 AEP providing contact information for the building's
6 owner and/or mortgage holder. And informing tenants
7 that they may call 311 to lodge any complaints.

8 Thank you to Make the Road for their
9 assistance with this bill, and to the staff of the
10 Housing Committee for making necessary changes in a
11 short timeframe. The expansion of AEP would have
12 dramatic impact for unstabilized tenants throughout
13 New York City, and help achieve Mary de Blasio's goal
14 of presenting existing affordable housing citywide.
15 I hope we can work with the Committee and HPD to move
16 both of these bills forward quickly. And I also just
17 really want to speak to feeling great that Council
18 Member Torres and I were able to pass, or are able to
19 move forward two pieces of legislation within the
20 Housing Quality Act. But we expect to have a lot
21 more bills and a lot more pieces of legislation that
22 we are going to be able to pass. So thank you.

23 CHAIRPERSON WILLIAMS: Thank you and I
24 know that Council Member Garodnick is with us, and
25 wants to make some statements as well. I want to say

2 thank you to everybody who came out, and give a shout
3 out to the people who are in the overflow room. We
4 know you're there, and your presence here is just as
5 important anyone else. So thank you for coming out.
6 And I don't know if Council Member Garodnick is
7 ready.

8 COUNCIL MEMBER GARODNICK: Thank you, Mr.
9 Chairman. I will be very brief because I know that
10 the bill sponsors and you have introduced this issue
11 completely. But I did want to just thank you as the
12 Chairman of this committee for hearing these bills,
13 and also to my two new colleagues Council Member
14 Torres and Reynoso for advancing I think very
15 thoughtful bills on two very important subjects. The
16 issue of AEP is one, which we had spotlighted back a
17 report called the Ghost of the Housing Bubble and
18 talking about the need to expand this program, which
19 is working very well.

20 And so, I wanted to thank Council Member
21 Reynoso for his leadership on this subject. And, of
22 course, the bill to add fines for recurring
23 violations of the Housing Maintenance Code I think
24 Council Member Torres has it right on the mark. It's
25 a common sense improvement. If HPD is consistently

2 going back to check up on buildings that have
3 violations, they should be the ones paying the bill,
4 not the City of New York. So, it is a great pleasure
5 to work with these guys on these issues. And Mr.
6 Chairman, thank you for your support and your
7 leadership here.

8 CHAIRPERSON WILLIAMS: Thank you. With
9 that said, we have our first panel who will give
10 testimony. I want to remind everyone who would like
11 to testify today to please fill out a card with the
12 sergeant-at-arms who was giving you some nice
13 instructions earlier. So if you would like to
14 testify, please make sure you fill out a form. We
15 will have our affirmation where we will ask you to
16 attest to before you start your testimony. So please
17 raise your right hand.

18 Do you affirm to tell the truth, the
19 whole truth, and nothing but the truth in your
20 testimony before this committee, and to respond
21 honestly to Council Member questions?

22 VITO MUSTACIUOLO: I do.

23 CHAIRPERSON WILLIAMS: Thank you. You
24 can proceed.

2 VITO MUSTACIUOLO: So before I proceed is
3 there any particular order you would like? If I may,
4 I'd like to start with Intro 345-A. Good morning,
5 Chairman Williams and Members of the Housing and
6 Building Committee. My name is Vito Mustaciuolo and
7 I'm HPD's Deputy Commissioner for Enforcement and
8 Neighborhood Services. I am joined by our Associate
9 Commissioner for Enforcement and Neighborhood
10 Services, Ann Marie Santiago. We appreciate the
11 opportunity to testify regarding Council Bill 345-A
12 relating to changes to the Alternative Enforcement
13 Program. HPD appreciates the Council's support of
14 the Alternative Enforcement Program since its
15 inception in 2007. HPD works very closely with the
16 City Council and tenants advocates on crafting this
17 program while making improvements to the program
18 since that time.

19 AEP is one of the many instances where
20 HPD has successfully collaborated with the council
21 and their tenants and representatives to make sure
22 that the preservation of the city's housing stock.
23 The President has addressed conditions in hundreds of
24 distressed buildings, and continues to work to
25 improve the housing quality for thousands of New York

2 City households. I'm sorry. As of Round 7, which
3 are currently in, HPD has touched 1,187 buildings and
4 over 15,000 units by conducting inspections and
5 imposing fees when property owners failed to comply
6 in performing repair work to adjust emergency
7 conditions and underlying conditions.

8 The bill before us today proposes three
9 majors to the AEP Program. The bill increases the
10 number of buildings for selection. The bill allows
11 HPD more flexibility to select and discharge
12 properties. And the bill requires property owners to
13 post a notice to tenants regarding the program, and
14 providing contact information. HPD is supportive of
15 these changes, and will make some recommendations for
16 changes to the language of the bill today. And hope
17 to discuss the details of these recommendations with
18 the Council and staff after the hearing.

19 The Administration and the City Council
20 continue to show their support for the program by
21 increasing AEP's funding. Mayor de Blasio increased
22 the baseline budget for AEP staff by \$1 million in
23 this year's Executive Budget. The City Council has
24 provided \$750,000 for an expansion of the program.
25 While we are grateful for the increased support, we

2 do not believe that this support is sufficient to
3 address the additional 80 buildings per year. After
4 reviewing our budget needs, HPD supports and increase
5 of 50 buildings per year at this time.

6 One of our concerns is that the \$750,000
7 provided by the Council is not a recurring support
8 item. Approximately 58% of the buildings remain in
9 AEP for multiple years requiring emergency repair
10 work monitored by AEP staff for the entire time that
11 the buildings are in the program. Generally,
12 buildings that remain in the program because the
13 building has been effectively abandoned by their
14 owners, or the buildings require work that often
15 times the owners need financing to contract for the
16 work and to obtain permits. HPD is working with
17 strategies to reduce the time that a building remains
18 in the program. However, we accept at this time it
19 is a factor that needs to be considered for our
20 budgeting.

21 Based on our budget projections, the
22 funding provided by the City Council will only
23 support 50 buildings in one round for up to three
24 years. The law would require additional buildings
25 each year for which we may or may not have funding

2 depending on future City Council support, and on
3 Community Development Block Grant cuts. CDBG funds
4 are federal funds that HPD relies on not just for AEP
5 but for code enforcement, housing litigation,
6 neighborhood preservation, and the numerous repairs
7 as well. Cuts to these funds, which are greatly
8 beyond the control of HPD may result in reduced
9 services from these other areas if AEP was mandated
10 to be done in an additional 80 buildings per year.

11 Additionally, HPD believes that through a
12 presence like AEP and the Proactive Preservation
13 Initiative, general improvements and our enforcement
14 efforts, and current economic conditions there are
15 fewer buildings, which require the type of enhanced
16 and focused enforcement that AEP requires. For
17 example, the number of Class B and C violations
18 issued to buildings chosen for AEP fell from an
19 average of 114 violations per building in the two
20 years prior to the designation to buildings in Round
21 1 to 80 violations in the three years prior to the
22 designation for buildings in Round 6. Also, the
23 number of buildings selected for the program is 187
24 in Round 7. That round included the second highest
25 number of affected units with 2,700 units in 187

2 buildings. By contrast, Round 1 only affected 1,300
3 units in 200 buildings.

4 Flexibility in the criteria for selection
5 and discharge reasons is a significant benefit to the
6 program. As you may know, HPD has changed the
7 selection criteria three times since the inception of
8 the program. This is an important component of the
9 program as it allows HPD to effectively identify
10 those properties, which require the type of
11 intervention that AEP is effective at providing. We
12 are especially pleased to see that the Council has
13 included a specific exclusion and discharge
14 capability for properties, which are participating in
15 loan programs through HPD or HDC. In properties,
16 which qualify for or are selected for AEP are
17 rehabilitated through our programs, and subject to
18 regulatory agreements, preserving affordability.
19 Those properties should not be immediately subject to
20 the requirements of AEP.

21 The timeframes for compliance with AEP
22 often are shorter than the development or rehab
23 process. The requirement for property owners to post
24 a notice regarding AEP will assist with addressing
25 concerns when tenants are not aware of who the

2 property owner is. AEP already posts each building
3 with a notice to the tenants once the building is
4 selected for the program. And an additional notice
5 that must be posted and maintained while the building
6 is active in the program only serves to ensure that
7 all tenants are aware of the building's status in the
8 program.

9 Again, we look forward to discussing the
10 implementation of the changes with the Council.
11 Thank you for the invitation to testify today, and I
12 would be happy to answer any questions. I'm not sure
13 if you want to give a second testimony.

14 CHAIRPERSON WILLIAMS: Very good.

15 VITO MUSTACIUOLO: All right, and we'll
16 skip over the good morning. We appreciate the
17 opportunity to testify regarding Council Bill 348-A
18 related to the creation of inspection fees for
19 situations where apartment conditions are not being
20 addressed by property owners after multiple
21 inspections. Which results in hazardous or
22 immediately hazardous violations. HPD appreciates
23 the Council's support of the code enforcement efforts
24 by the Department of Housing Preservation and
25 Development. We have worked together to find

2 requirements for inspection fees for other types of
3 inspections in situations where poor conditions go
4 unaddressed for some time. Including the Alternative
5 Enforcement Program, and repeat instances of no heat
6 or hot water.

7 HPD supports this joint effort to ensure
8 that property owners take seriously their
9 responsibilities to maintain their properties. While
10 recognizing that especially in mostly older housing
11 stock owners who respond timely to correct and
12 certify poor conditions should not be charged a fee.
13 HPD also supports this legislation as a means of
14 ensuring that the City is compensated for spending
15 taxpayer resources above and beyond what should
16 reasonably be expected for responding to complaints,
17 which go unaddressed by the responsible entity, the
18 property owner.

19 My understanding of the intent of the
20 Intro 348-A is to impose an inspection fee after a
21 third instance where violations are issued for a
22 given apartment without compliance and certification
23 of those violations. HPD supports this intent.
24 Further, the intent is to continue to impose these
25 fees and inspections for all instances beginning at

2 the third inspection within the calendar year.
3 Buildings active in the Alternative Enforcement
4 Program, and buildings actively being supported
5 through HPD's 708 [sic] action will not be subject to
6 these fees. Additionally, heat and hot water
7 violations would be excluded because those violations
8 already have their own similar inspection fee rules.
9 HPD could designate certain violations such as double
10 cylinder locks and window gates as discretion by rule
11 to not be considered when calculating whether they
12 should be imposed. Finally, all fees would become
13 liens if not paid timely.

14 HPD supports all these sections of the
15 bill given that we believe that the wording of the
16 bill in its current form may require some
17 modification to reflect the intent. I look forward
18 to working with you on addressing these technical
19 issues. We believe that laws such as Intro 348-A
20 support enforcement affecting the behavior or
21 property owners who fail to comply with the law.
22 Again, we look forward to discussing the
23 implementation of these changes with the Council
24 within the next few weeks. Thank you for your

2 invitation again to testify, and now I will be happy
3 to answer any questions.

4 CHAIRPERSON WILLIAMS: Thank you very
5 much. We've been joined by Council Members. Council
6 Member Levine. Thank you for your testimony, and
7 it's always nice when there are bills that there is
8 so much agreement on, and so much work has happened
9 before. So that is always pleasant. It makes for a
10 pleasant hearing. Just a couple of question
11 regarding 345-A. Could you just explain why you
12 weren't able to reach the required amount for the
13 first time this year? I'm sorry. 345-A dealing with
14 AEP. I know you went into 187 buildings. I know
15 that there were more units there in the first round,
16 but can you just explain why you weren't able to hit
17 the 200 mark?

18 VITO MUSTACIUOLO: Sure. The way that
19 the law is currently worded it requires that we
20 identify like 200 buildings that meet the criteria.
21 And the criteria that we used for that round did not
22 generate a listing of 200 buildings. So it only
23 generated 187 buildings that met the criteria at that
24 time.

2 CHAIRPERSON WILLIAMS: So if you had more
3 flexibility, which the bill will give you now, you ,
4 you would have never hit the mark?

5 VITO MUSTACIUOLO: We would have been
6 able to achieve the 200.

7 CHAIRPERSON WILLIAMS: Now, with the
8 funding, one of the reasons that you wanted-- you
9 don't want to do 280 is because the funding may not
10 be in perpetuity. So let's pretend that it was a
11 million dollars that was increased in the baseline
12 and \$750,000 from the City Council. Would that be
13 enough to get to 280, or is that only enough to do
14 250?

15 VITO MUSTACIUOLO: Well, again, we
16 believed based on our projections that the additional
17 money would only allow us to perform the repairs in
18 50 buildings for a three-year period. This again,
19 the Building Statement Program for multiple years,
20 and the Council allocation was not a baseline. It
21 was one-time allocation.

22 CHAIRPERSON WILLIAMS: But if that money
23 was baseline, would it be enough to get the 280?

24 VITO MUSTACIUOLO: The other concern that
25 we have, with all due respect, is the CDBG, which is

2 not under the control of the City or the Council.

3 And had seen reductions in our CDBG allocation in
4 prior years. So if the law required that we put 280
5 buildings into the program each year, and CDBG budget
6 was reduced, we run a risk then of affecting other
7 programs such as Code Enforcement, and repairs in
8 other areas.

9 CHAIRPERSON WILLIAMS: So right now CDBG
10 stays the same and the \$750,000 with the baseline
11 increase, then you would be able to get through it?

12 VITO MUSTACIUOLO: In a perfect world,
13 yes.

14 CHAIRPERSON WILLIAMS: Okay. So what
15 happens to the years that you have those? Is it like
16 extra money if you can hit 280, but you're running at
17 250. So what is the flip side of that?

18 VITO MUSTACIUOLO: Well, I think the
19 proposal sets a floor but not a ceiling.

20 CHAIRPERSON WILLIAMS: Okay. So you
21 might be able to do more than that in the years that
22 you have more money.

23 VITO MUSTACIUOLO: Right.

24

25

2 CHAIRPERSON WILLIAMS: Okay. And then
3 now to Intro 348-A. Does the \$200 inspection fee
4 cover the cost of inspection?

5 VITO MUSTACIUOLO: We believe it does,
6 yes.

7 CHAIRPERSON WILLIAMS: And how many
8 owners do you think it will affect?

9 VITO MUSTACIUOLO: I can't say how many
10 owners. What I can say, though, is that we believe
11 that it will affect a minority of the building
12 owners. The vast majority of building owners comply.
13 So this is really to address the most recalcitrant of
14 owners. We did a rough projection after
15 conversations with members of the Council. We
16 believe that it will probably generate about \$500,000
17 to \$700,000 in fines or \$750,000 in inspection fees.
18 It's a very rough calculation based on historical
19 information. Again, I think what is more important
20 is that we hope that this intro will change the
21 behavior of landlords.

22 CHAIRPERSON WILLIAMS: And what happens
23 if the violations are caused by a tenant?

24 VITO MUSTACIUOLO: Well, again, I
25 addressed that in my testimony. So through rules we

2 will identify certain violation, and we will
3 certainly categorize them as tenant caused. But
4 conditions that may be different with a notice to
5 correct. Such as the installation of a double
6 cylinder lock, or the gate on a fire escape window.
7 So we will take into consideration conditions that
8 are difficult for a landlord to correct, and focus on
9 the more important issues.

10 CHAIRPERSON WILLIAMS: Okay. Thank you.
11 I'm going to move onto my colleagues, and we have
12 signed up for questions Council Member Reynoso,
13 Council Member Torres, Council Member Levine. And
14 so, we'll start with Council Member Reynoso.

15 COUNCIL MEMBER REYNOSO: Thank you, and
16 you can help us. Kind of explain to us if the
17 charges or the bill to a landlord goes on lien, and
18 it's being sold privately that money comes back to
19 the City of New York. And the City of New York can't
20 use that money to move onto another building or why?

21 VITO MUSTACIUOLO: Okay. I'm not a
22 budget expert, and perhaps that's a question that O&D
23 should respond to more appropriately. My
24 understanding of the process, Council Member, is yes
25 we do bill owners for the repairs that we make. If

2 the owner-- if the bills are unpaid, then we place a
3 tax lien. And the tax liens can be sold, and they
4 can be sold as a standalone through the tax lien sale
5 meaning that even if the property owners is current
6 on his real estate taxes, if there are an outstanding
7 number of repair charges, we can still sell the tax
8 liens. That money, however, does not come back to
9 the agency. It goes back to the City's general fund.
10 So we do receive an allocation each year, and we have
11 to live within that budget allocation.

12 COUNCIL MEMBER REYNOSO: So that it's not
13 free money. You don't keep getting it back, is that
14 correct?

15 VITO MUSTACIUOLO: The money that gets
16 paid to the City does not come back directly to the
17 agency.

18 COUNCIL MEMBER REYNOSO: Okay. So just
19 to be clear, I just want to repeat it. It's that the
20 money you recoup from the AEP program does not go
21 back to HPD directly. It goes to the general fund,
22 which is then used for other things. For example,
23 paying back the CDBG money grant, that money to the
24 federal government?

2 VITO MUSTACIUOLO: Again, that's my
3 understanding, but perhaps we should have this up for
4 conversation.

5 COUNCIL MEMBER REYNOSO: Okay, and with
6 O&D.

7 VITO MUSTACIUOLO: Yes.

8 COUNCIL MEMBER REYNOSO: And hopefully
9 being able to secure it. So just to Chair Williams,
10 it would be great if the money they get from the tax
11 liens that they recover goes back to HPD, and we can
12 talk about more sustainability in the program, and
13 buildings into the program as well. So I just
14 thought that that would be important. Your report
15 shows that larger buildings have a higher success
16 rate in the program. Partially because landlords of
17 larger buildings tend to have more resources to make
18 repairs. If the criteria is altered to focus the
19 program on larger buildings, could the number of
20 included buildings be increased without a significant
21 increase in resources?

22 VITO MUSTACIUOLO: I'm going to actually
23 turn it over to Ann Marie.

24 COUNCIL MEMBER REYNOSO: Okay.

2 ANN MARIE SANTIAGO: Hi, Council Member.
3 So, yes, larger buildings are more likely to comply,
4 and we have been attempting to move towards looking
5 at larger buildings because AEP is more effective
6 with those buildings. We haven't totally moved that
7 way yet. So that would be a hard question to answer
8 at this point. Once we are able to implement some
9 further rules to see more of the large buildings in
10 the program and really focus on those, we could
11 perhaps come back and revisit that.

12 COUNCIL MEMBER REYNOSO: So what is your
13 suggestion? Whether or not we should keep the
14 buildings or apartments for example? Should we be
15 focusing on 280 buildings or should we be focusing on
16 82,000 units or apartment units?

17 VITO MUSTACIUOLO: I think it's much
18 easier for us to solve criteria than identify
19 buildings.

20 COUNCIL MEMBER REYNOSO: Okay.

21 VITO MUSTACIUOLO: And again, the
22 flexibility to adjust criteria based on conditions
23 allows us to identify a broader range of buildings.
24 So I think we've been successful. In fact, we have
25 proposed criteria now. There is a hearing. I

2 believe it's scheduled in two weeks for the proposed-
3 - The new criteria proposed for Round 8, and we
4 believe that that model will generate a much better
5 mix of buildings both over 20 units and below.

6 COUNCIL MEMBER REYNOSO: Okay. What
7 happened to the 376 buildings that were no discharged
8 from the program between 2007 and 2012, as noted in
9 the Five-Year Report, and do you have an update on
10 the number since 2012, the 2012 Report?

11 VITO MUSTACIUOLO: So there are still
12 buildings that are active in the program, and I'm not
13 sure if we have with us a current number. Do you?

14 ANN MARIE SANTIAGO: Yes, I have the
15 total number.

16 VITO MUSTACIUOLO: I'm sorry. Currently,
17 we have 485 buildings that are still active in the
18 program.

19 ANN MARIE SANTIAGO: But that number
20 includes Round 7 buildings, which are not in the--
21 You know, can't compare to what the number is that
22 you gave us. So we can go back and get you the
23 number of buildings from Rounds 1 through 6. That is
24 still active.

2 COUNCIL MEMBER REYNOSO: What happens to
3 these buildings that stay in the program for a long
4 time? Do they just stay in the program for a long
5 time?

6 VITO MUSTACIUOLO: We have a number of
7 ideas, and we would love to meet with the Council to
8 talk about some ideas about how we can move buildings
9 that have lingered in the program into other
10 programs, and out of there you pay. [sic]

11 COUNCIL MEMBER REYNOSO: Okay ,and then
12 the last one is with the-- With Council Member
13 Torres' bill, you said that there is a potential, and
14 it's very rough, \$500,000 to \$750,000. Does that
15 money also go to the general fund or does it come
16 back to HPD? And if it comes back to HPD, can it be
17 put into the AEP program? Can that be used for the
18 AEP program to baseline, almost internal baseline so
19 that we can continue to expand the amount of
20 buildings we added to the program?

21 VITO MUSTACIUOLO: So currently on all
22 tax liens and those fees if not paid, and the tax
23 lien and even fees that are paid go back to the
24 City's general funds. So that money would not come
25 back to HPD directly.

2 COUNCIL MEMBER REYNOSO: Thank you very
3 much Vito and just Chair Williams, a meeting with O&D
4 regarding all this good work that HPD is doing, and
5 not being able to recoup those funds I think would be
6 extremely helpful. Thank you.

7 CHAIRPERSON WILLIAMS: Council Member
8 Torres, Council Member Levine, and Council Member
9 Garodnick. I did want to ask how much money do you
10 recoup in the AEP Program?

11 VITO MUSTACIUOLO: SO I do have a number
12 to date. So we have re-coupled approximately \$37
13 million, but that also includes emergency repair
14 charges that were placed against the property prior
15 to going into the program. In order for a building
16 to be discharged from AEP, the building owner has to
17 pay all outstanding charges and liens, or enter into
18 an installment agreement with the Department of
19 Finance. So we've actually recouped more money than
20 we have spent over the life of the program.

21 CHAIRPERSON WILLIAMS: So all that money
22 goes back to the general fund?

23 VITO MUSTACIUOLO: It does.

24 CHAIRPERSON WILLIAMS: Council Member
25 Torres, then Levine and Garodnick.

2 COUNCIL MEMBER TORRES: Commissioner,
3 thank you for your testimony. I think it's worth
4 qualifying that a fee is different than a fine and a
5 penalty. My understanding is that a fine can only be
6 collected in court, and it's designed to punish.
7 Whereas, a fee is meant to affect the cost of the
8 inspection.

9 VITO MUSTACIUOLO: That's correct.

10 COUNCIL MEMBER TORRES: And so it would
11 seem to me that the cost of the inspection could
12 arguably vary. So one could argue that during
13 heating season HPD's capacity is much more strained.
14 And the cost of diverting resources and time is much
15 higher in the heating season than it is in non-
16 heating season. So is there an argument to be made
17 that we should have like a bifurcated inspection fee,
18 one for heating season and one for non-heating
19 season, to affect the true cost of the inspection?

20 VITO MUSTACIUOLO: We will certainly take
21 a look at that. I do think that we need to adjust
22 according given the salary increases, cost of living
23 increases. All of that gets factored into the
24 ultimate cost to the City. We will certainly take a
25

2 look to see if there is justification, and where we
3 can increase the fees during a certain time of year.

4 COUNCIL MEMBER TORRES: Obviously, it's
5 an inexact science, but it would seem to me that HPD
6 is bombarded with heating and hot water complaints.
7 And if you have a landlord who is repeatedly failing
8 to correct other conditions in the Housing Code
9 that's diverting resources away from adjusting those
10 complaints. So there's a real cost there. And one
11 could argue the fees should reflect that.

12 VITO MUSTACIUOLO: Okay. It may be a
13 difficult cost to allocate.

14 COUNCIL MEMBER TORRES: Fair enough.

15 VITO MUSTACIUOLO: Yes.

16 COUNCIL MEMBER TORRES: Regarding AEP
17 what are the criteria for selection?

18 VITO MUSTACIUOLO: Currently or in the
19 proposed rules?

20 COUNCIL MEMBER TORRES: Both.

21 VITO MUSTACIUOLO: Well, I have the
22 Proposed Rules in front of me, and they have-- Do
23 you want to--

24 [Pause]

2 VITO MUSTACIUOLO: Okay, so the proposed
3 rules so for buildings over 20 units, it's a ratio of
4 three or more open B and C class violations per
5 dwelling unit issued in the past five years. And
6 paid or unpaid emergency repair charges, and \$2,500
7 or more incurred over the five years. For building
8 three units to 120 it's ratio of five or more being
9 Class C violations per DU issued in the past five
10 years. And paid or unpaid ERP charges exceeding
11 \$5,000 incurred in the last five years. So that's
12 what the proposal is for Round 8.

13 ANN MARIE SANTIAGO: I think the only
14 difference from that for what the criteria was for
15 Round 7 is the look back period. So, if you had just
16 said five years look back on violations and ERP is
17 the proposed, and it's currently three years for the
18 last round.

19 COUNCIL MEMBER TORRES: Thank you.

20 ANN MARIE SANTIAGO: So basically, we're
21 looking back further on the status of conditions.

22 COUNCIL MEMBER TORRES: Okay.

23 VITO MUSTACIUOLO: And we can send you
24 this in writing so you have a comparison.

2 COUNCIL MEMBER TORRES: And I might be
3 repeating a question, but it's an interesting
4 question regarding AEP is largely centered around
5 buildings. But should we figure out some way of
6 giving some way to a number of units? Because
7 ultimately our goal is to touch as many households as
8 we can. And that means counting units more than
9 buildings. So is there a way to make that program
10 more balanced? Because it has been historically
11 skewed towards more buildings, right.

12 VITO MUSTACIUOLO: Right.

13 ANN MARIE SANTIAGO: Right, and I think
14 that's why originally there was no difference in the
15 criteria between small and large buildings. There
16 was one criteria for all buildings, and that is why--
17 I don't remember-- 2011, we changed it to be
18 separate so that smaller buildings have a different
19 threshold than large buildings. And I think that
20 that's something that we're studying to see whether
21 there needs to be some further work there in order to
22 focus more on the larger buildings. Because what
23 we've found is that the smaller buildings have a
24 different need. They have different resources
25 available to them to comply with AEP. They have

2 different issues that lead them to be in poor
3 condition than larger buildings. So that's why we're
4 trying to figure if we can select larger buildings we
5 will, of course, get more units. I think it's still,
6 as Vito mentioned before, to look at units as the
7 baseline is going to be a difficult proposition.

8 COUNCIL MEMBER TORRES: Thank you. What
9 is your assessment of the AEP program? What do you
10 feel it does well? What does it do poorly? What is
11 your overall assessment of the efficacy of the
12 program?

13 VITO MUSTACIUOLO: It's somewhat of an
14 unfair testing. I think the program has been
15 extremely successful, and continues to be. And
16 again, similar to what I mentioned in my testimony
17 about the inspection fee legislation is it changes
18 behavior. So if owners are more aware of the fact
19 that each year we are identifying like 200 of the
20 most severely distressed buildings in the city, and a
21 proposal to increase it, I think this reinforces
22 that. And we have had many positive conversations
23 with advocates in how we can improve on the program.
24 And as a result, in 2011, the Council made some
25 amendments to the existing law that was passed in

2 2007. And certainly this Intro in front of us just
3 reinforces the good work that program has done by
4 criticisms.

5 COUNCIL MEMBER TORRES: Well, I have to
6 disagree with you. I don't think it's unfair to ask
7 what is the assessment of a program's effectiveness.

8 VITO MUSTACIUOLO: Yes, I think it has
9 been extremely effective.

10 COUNCIL MEMBER TORRES: Yeah, that's it.
11 It can pose a mutual question.

12 VITO MUSTACIUOLO: Yes.

13 COUNCIL MEMBER TORRES: And what's the
14 average amount of time a building remains in a
15 program?

16 VITO MUSTACIUOLO: We will have to get
17 back to you on that. Again, we know how many
18 buildings are actively known by round. So we'll have
19 to get back to you on the average.

20 COUNCIL MEMBER TORRES: Regarding those
21 buildings that seem to languish in the program for a
22 long time that have been there since even 2007,
23 what's the strategy for preservation in those cases?

24 VITO MUSTACIUOLO: So one--

2 COUNCIL MEMBER TORRES: [interposing]

3 Because it seems to me that AEP is effective in most
4 cases, right. But there are buildings that are
5 stubbornly hard to stabilize. And so, what's the
6 strategy for those buildings.

7 VITO MUSTACIUOLO: Sure. So the plan
8 that we are looking to lay out and a road back for
9 these buildings-- (coughs) Excuse me. Is for
10 buildings to move from the Alternative Enforcement
11 Program to other programs such the 7A Program or even
12 Third Party Transfer. So we would like to see
13 buildings move from AEP into perhaps one of those two
14 programs, and we're certainly open to any ideas about
15 a program that doesn't exist that can benefit from
16 the Alternate Enforcement Program.

17 ANN MARIE SANTIAGO: Just to reinforce,
18 those buildings that remain in the program the
19 longest are the small buildings, predominantly small
20 buildings. Large buildings generally discharge very
21 quickly.

22 COUNCIL MEMBER TORRES: [off mic]

23 ANN MARIE SANTIAGO: Just to reinforce,
24 that point, Council Member, 910 buildings have been
25 discharged from the program, and that includes 11,719

2 units, the vast majority of units, right. Of the 477
3 buildings still active, that accounts for only 3,800
4 units. So it's your three, your four, your five, six
5 unit buildings that predominantly remain active for a
6 long period of time.

7 COUNCIL MEMBER TORRES: Hence the need
8 for a coordinated strategy--

9 ANN MARIE SANTIAGO: [interposing] Yes.

10 COUNCIL MEMBER TORRES: --for stabilizing
11 the smallest buildings.

12 VITO MUSTACIUOLO: Yes.

13 COUNCIL MEMBER TORRES: So what you're
14 recommending is integrating AEP with Article 7A and
15 Third-Party Transfer. But for that to work, I
16 imagine the Article 7A would need more funding from
17 the City Council.

18 VITO MUSTACIUOLO: It may.

19 COUNCIL MEMBER TORRES: Okay. What's the
20 current funding stream for Article 7A at the moment?

21 VITO MUSTACIUOLO: I believe the current
22 funding is \$3 million a year.

23 COUNCIL MEMBER TORRES: Which would seem
24 insufficient given the demand out there.

2 VITO MUSTACIUOLO: Well, again we really
3 have to look more closely at using 7A now as a
4 vehicle for discharge for AEP. So we're still doing
5 an analysis of that.

6 COUNCIL MEMBER TORRES: But you're not
7 ready to say whether that \$3 million is sufficient?

8 VITO MUSTACIUOLO: At this point no, no.

9 COUNCIL MEMBER TORRES: Okay. Well, I'm
10 a huge propone of adding more funding into the
11 Article 7A program.

12 VITO MUSTACIUOLO: And I appreciate that.

13 COUNCIL MEMBER TORRES: For the record.

14 VITO MUSTACIUOLO: Especially now that
15 the 7A Program has been moved over today.

16 COUNCIL MEMBER TORRES: Yes. That's the
17 extent of my questions. Thank you.

18 CHAIRPERSON WILLIAMS: Council Member
19 Levine.

20 COUNCIL MEMBER LEVINE: Thank you, Chair
21 Williams, Deputy Commission, Associate Commissioner.
22 It's great to see you both. Thanks for being here.
23 I have to commend my colleagues, Council Members
24 Reynoso and Torres for this great legislation we're
25 looking at today. I want to ask related to 348-A, a

2 series of questions related to it. I think it's
3 probably the most important statement you've made on
4 the bill so far, Deputy Commissioner. Which you said
5 the intent is not to collect money. The intent is to
6 change behavior. And there are a whole series of
7 business sectors in New York City where businesses
8 just decide that the tickets they receive or the
9 fines and the penalties are just the cost of doing
10 business. Think of the Fe Ex truck with five tickets
11 in their windshields parking in Midtown, right.

12 And we know when we think about owners of
13 some of these buildings that certainly the most
14 unscrupulous among them are going to be impervious to
15 shame, and moral suasion. And so, this is not about
16 doing the right thing. For many of us, we wouldn't
17 need to crack down on them in the first place. But
18 in many cases they're going to make a very cold
19 business calculation about the cost of the repair
20 versus the cost of not repairing through fines and
21 other charges. So, my first question isn't-- Since
22 we're levying such fines related to heat and hot
23 water, how has that economic calculus played out?
24 Are you finding cases where the fine for not
25 producing, for not fixing the boiler is less than it

2 would cost to repair it. And, therefore, you can't
3 get action. Has that occurred?

4 [Pause]

5 VITO MUSTACIUOLO: Thank you Council
6 Member. (Coughs) I think it's important to note
7 that even though these inspection fees would be
8 assessed if the landlord vows to correct and certify,
9 that doesn't mean that our process ends. So for
10 instances of no heat or hot water, we will still step
11 in with our Emergency Repair Program. And we will
12 still make the repairs, place additional liens
13 against the property if they're unpaid. For heat and
14 hot water violations that are issued that the
15 landlord does not certify as corrected, we actually
16 can commence litigation in Housing Court for each of
17 those cases. So I think what this really does is it
18 adds to our toolbox, and it does give us another tool
19 in the enforcement of the Housing Maintenance Code.

20 COUNCIL MEMBER LEVINE: I totally agree,
21 but the fact that you do often have to take these
22 more aggressive actions in court and otherwise shows
23 that the fine alone wasn't enough.

24

25

2 VITO MUSTACIUOLO: In some cases it is
3 not. We do not that in most cases it will be
4 sufficient to change behavior.

5 COUNCIL MEMBER LEVINE: So in the
6 expanded scope of issuing these fines, I guess fees
7 would be the proper word. Fees. Could you talk
8 about what types of repairs you think are going be
9 most common, sort of the range, and what the cost of
10 making the repair would be so we could compare it to
11 the cost of the fee?

12 VITO MUSTACIUOLO: Sure. So I think it's
13 also important to note that this legislation would
14 allow us to place a fee for uncorrected violations
15 within a unit. So there could be multiple units
16 within a building that the fees are being assessed.
17 So that's an important factor.

18 COUNCIL MEMBER LEVINE: That adds up
19 quickly.

20 VITO MUSTACIUOLO: It will and it can up
21 very quickly if the building is in a generate state
22 of disrepair.

23 COUNCIL MEMBER LEVINE: Right.

24 VITO MUSTACIUOLO: The average cost of a
25 repair to the City is under \$200. And so most

2 emergency repairs can be corrected for less than what
3 the fee is that we're imposing.

4 COUNCIL MEMBER LEVINE: What types of
5 repairs, emergency repairs might cost on the high
6 end?

7 VITO MUSTACIUOLO: On the high end
8 failure to comply with a lead paint hazard violation
9 is probably one of the higher costs that we see with
10 the exception, of course, of replacing a heating fan.
11 [sic] But again, those are conditions that if
12 uncorrected that only will replace the fee. But we
13 also will step in and do the repairs.

14 COUNCIL MEMBER LEVINE: In the case of
15 the lead paint because it's a health hazard.

16 VITO MUSTACIUOLO: Right, and we are also
17 mandated by law to correct lead paint hazards.

18 COUNCIL MEMBER LEVINE: Right. What
19 might such a repair generally cost?

20 VITO MUSTACIUOLO: I believe today it
21 costs about \$1,400 on average. In fact, it's a
22 little higher.

23 COUNCIL MEMBER LEVINE: So there's a case
24 where the fine, the fee alone would not necessarily

2 change behavior. Although obviously have more
3 aggressive actions to take--.

4 VITO MUSTACIUOLO: [interposing] Right.

5 COUNCIL MEMBER LEVINE: -- to take beyond
6 that. Is it worth us thinking about higher fees in
7 cases where the repair itself is also more expensive?

8 VITO MUSTACIUOLO: We can only impose a
9 fee that covers the cost to the City for the
10 inspection. But we are not allowed to calculate in
11 with the group how our cost would be. So it really
12 is for inspectors' time, for the administrative
13 aspect of sending inspectors out. And that's all we
14 are allowed to collect.

15 COUNCIL MEMBER LEVINE: Okay. Thank you
16 very much.

17 [Pause]

18 CHAIRPERSON WILLIAMS: Council Member
19 Garodnick and then Mendez.

20 COUNCIL MEMBER GARODNICK: Thank you, Mr.
21 Chairman. I'll just jump in on that point for a
22 second because I think we all have an appreciation
23 that the fee can only cover the cost of the
24 inspection. But in some of those seasons where
25 perhaps the demand for your inspection is

2 particularly high, if say an inspector is operating
3 on overtime or other, is that not able to be factored
4 into the bill here?

5 VITO MUSTACIUOLO: So again, until this
6 morning's hearing we had not really considered that.
7 But we will certainly look at that, and we will
8 certainly consult with the oversight agencies that
9 would have to look at that.

10 COUNCIL MEMBER GARODNICK: So it's
11 possible that that is--

12 VITO MUSTACIUOLO: [interposing] If it's
13 possible, we will bill it. Yes.

14 COUNCIL MEMBER GARODNICK: Okay. Also on
15 the bill of the inspection fee, I noted that HPD has
16 the ability to designate certain violations that
17 would not be considered when calculating where a fee
18 should be imposed. We have at least one request for
19 other provisions not to be included in that situation
20 whether it's tenant caused violation or whatever.
21 The question here for you is why the Council should
22 not be putting those exceptions into the
23 Administrative Code ourselves as opposed to waiting
24 for HPD to put it in by rule? Do you have any
25 feeling on why there is a benefit for that to be done

2 through rulemaking as opposed to through legislative
3 action?

4 [Pause]

5 VITO MUSTACIUOLO: We believe through the
6 rulemaking process we have great responsibility. So
7 if there are conditions that we may have overlooked
8 that should be included, it's a relatively simple
9 process for us to go through the rule change to
10 either add or remove the condition.

11 COUNCIL MEMBER GARODNICK: Okay. I might
12 only suggest here that if there are conditions that
13 we-- that are generally accepted by the bill sponsor
14 and by you that should be exceptions, then maybe we
15 continue to allow you to amend by rule. But that at
16 least there's a baseline as a possibility. On the
17 AEP, so I was interested in the number of buildings
18 that are still active, and the number of units that
19 are impacted by those numbers. It seems like the

20 really taking up the lion's share of
21 resources by the agency. That's a fair assessment?

22 VITO MUSTACIUOLO: That's very accurate.

23 COUNCIL MEMBER GARODNICK: And forgive me
24 that I may have missed it earlier, but why is that?
25 Is it because they need to stay in the program for a

2 longer period of time, or is it something else that
3 I'm missing.

4 ANN MARIE SANTIAGO: I think that in the
5 early years of AEP foreclosure was a big-- Had a big
6 effect on the program. So we didn't anticipate that
7 so many three, four, five-unit buildings would be in
8 foreclosure, and fall under the criteria for
9 selection for AEP. Unfortunately, both the
10 foreclosure process and the resale process after that
11 are very, very long processes. And whether or not
12 someone comes to claim the building, AEP winds up
13 being the de facto maintainer of the property.

14 VITO MUSTACIUOLO: Oh, I see. So if the
15 small building meets the criteria, and become part of
16 the program, and they are in foreclosure and nobody
17 is paying for the upkeep of the building, then it
18 becomes a continued expenditure and outlay by HPD to
19 keep the building up during that period of time? Is
20 that correct?

21 ANN MARIE SANTIAGO: Yeah, I don't think
22 that foreclosure is a criteria, but it wound up in
23 real terms affecting what buildings were selected,
24 and it makes it very hard. Those buildings are in
25 extremely poor condition.

2 COUNCIL MEMBER GARODNICK: When you say
3 it affected what buildings were selected, you're
4 saying that they ended up being selected because they
5 were in bad repair--

6 ANN MARIE SANTIAGO: [interposing]
7 Correct.

8 COUNCIL MEMBER GARODNICK: --and because
9 they were in foreclosure. Is that what you're
10 saying?

11 ANN MARIE SANTIAGO: Many of the
12 buildings, yes.

13 COUNCIL MEMBER GARODNICK: Okay. Well,
14 we should think about that broader question about the
15 fact that it is-- You know, the smaller buildings
16 are in some ways draining the overall effectiveness
17 of the program. And may be inhibiting your ability
18 to get up to that 280 number, which we want you to
19 get up to. So, let me go to just the budget question
20 for a second, and I know that this is not your
21 specific area of expertise. But one thing that
22 confuses me is about how we are able to get up to the
23 extra 50. The overall budget for the AEP Program was
24 \$7.6 million most of which was provided through CDBG
25 grants and other sources. Not City. We went from

2 what I recall I think it was around a \$50,000 City
3 allocation to a \$750,000 allocation. How does that
4 jump from \$7-1/2 to \$8-1/4 million allow us to jump
5 the number as significantly as we can, as you're
6 saying we can here? Help us understand how that will
7 be possible.

8 [Pause]

9 VITO MUSTACIUOLO: Are you okay?

10 ANN MARIE SANTIAGO: Yeah.

11 COUNCIL MEMBER GARODNICK: Oh, so again,
12 Council Member, the \$750,000 was a one-time
13 allocation. So we did a calculation based on putting
14 50 additional buildings into the program, and based
15 on past expenses for buildings for it to be Emergency
16 Repair Program. Now, that \$750,000 would cover
17 expenses for a three-year period just for those 50
18 additional buildings in one year. So, we do believe,
19 though, that if we only increased the number to
20 \$250,000, and--

21 COUNCIL MEMBER GARODNICK: [interposing]
22 250 buildings.

23 COUNCIL MEMBER GARODNICK: 250 buildings.
24 I'm sorry. Thank you. And looked at the criteria to
25 select a different group of buildings, and there was

2 a conversation about having buildings move from the
3 Alternative Enforcement Program with the other
4 programs, that the existing budget would be
5 sufficient to cover the additional 50 buildings.

6 COUNCIL MEMBER GARODNICK: I appreciate
7 what you're saying. I guess what I don't understand
8 is how that all works because if we're at 200
9 buildings at \$7.6 million, you wouldn't think we
10 would able to get up to 250 at 8-1/4. And so, that's
11 where I'm a little confused.

12 ANN MARIE SANTIAGO: But it's not really
13 200 buildings at that amount. It's 400 and--

14 COUNCIL MEMBER GARODNICK: Seventy-seven?

15 ANN MARIE SANTIAGO: Right.

16 VITO MUSTACIUOLO: That are active.

17 ANN MARIE SANTIAGO: It's how many
18 buildings are active right now. So that 7.6 does
19 just support the 200-- 187 buildings that came in
20 around seven. It supports all the buildings that are
21 active at a current time.

22 COUNCIL MEMBER GARODNICK: Okay, that
23 makes more sense. Thank you. Thank you, Mr. Chair.

24

25

2 CHAIRPERSON WILLIAMS: Council Member
3 Mendez. We've been joined by Council Member Ulrich
4 and Council Member Cornegy.

5 COUNCIL MEMBER MENDEZ: Thank you, Mr.
6 Chair. I want to do a follow-up to my colleague,
7 Council Member Levine about the inspectors and
8 charging different amounts. If we're charging what
9 the fee would be for an inspector's time, I'm
10 assuming for certain types of violations and for
11 bigger buildings, it would require more time of the
12 inspector, correct? To go and inspect multiple
13 apartments and possibly the basement or a room for--

14 VITO MUSTACIUOLO: Yeah, but this would
15 really be a complaint based inspection, not a
16 proactive inspection. So it would be based on a
17 tenant calling in a condition and us performing an
18 inspection in that apartment. Not a building wide
19 inspection, but rather a very specific inspection in
20 a unit.

21 COUNCIL MEMBER MENDEZ: So let me
22 rephrase my question. The inspection might require
23 for that apartment for you to look at the apartment
24 below and above to see the extent of the problem,
25 right?

2 VITO MUSTACIUOLO: It may and again we
3 did calculate on average what it costs us to perform
4 an average complaint inspection, and that's how we
5 came up with the \$200. So it's a supported number.

6 COUNCIL MEMBER MENDEZ: Okay.

7 VITO MUSTACIUOLO: Yeah.

8 COUNCIL MEMBER MENDEZ: Thank you. In
9 your testimony on the first bill, 345-A on page 2,
10 you stated approximately 58% of the buildings remain
11 in AEP for multiple years because they require
12 emergency repair or other monitoring. Are there
13 certain types of repairs that fall within the 58%,
14 and can you tell me what those would be?

15 ANN MARIE SANTIAGO: Sometimes it depends
16 on the extent of the repairs. If a building owner is
17 making repairs, but the AEP has ordered multiple
18 systems to be replaced, for example, the time period
19 could be extensive. Again, if they have to do the
20 roof, the electrical, the plumbing, AEP can issue any
21 number of system replacements. Emergency repairs,
22 buildings that need very little work, it's a
23 different story obviously. The emergency repairs are
24 expected to be completed rather quickly. A lot of
25 that 58% of buildings are buildings that we talked

2 about where it's the smaller building that even
3 though the system is done, the owner can't meet the
4 requirements for compliance with the program. Hasn't
5 registered, hasn't paid the emergency repair charges.
6 And those things keep the building in the program
7 even though we may have done the system work already.

8 VITO MUSTACIUOLO: Thank you and Council
9 Member, I would like to add to that as well that for
10 a good number of these buildings they still are in
11 the program, especially the smaller buildings, we
12 also have them on automatic fuel delivery during the
13 winter to ensure that heat and hot water is
14 maintained. We have the electrical accounts in HPD's
15 name. So the electric is not turned off to the
16 building. So there are maintenance, ongoing
17 maintenance costs.

18 COUNCIL MEMBER MENDEZ: Thank you very
19 much.

20 [Pause]

21 CHAIRPERSON WILLIAMS: Thank you. I
22 don't have any other colleagues that signed up. So
23 I'm going to do a round two, and Council Member
24 Reynoso will ask some additional questions.

2 COUNCIL MEMBER REYNOSO: So, I just
3 wanted to ask a quick question. So in your
4 rulemaking or your criteria setting, you can de-
5 prioritize these smaller builders, and prioritize the
6 larger ones if you wanted to in your criteria. Is
7 that a true statement?

8 VITO MUSTACIUOLO: Well, we don't really
9 prioritize, but we can look at our criteria that
10 would identify bigger buildings versus smaller
11 buildings.

12 COUNCIL MEMBER REYNOSO: And in doing
13 that, you can-- With that system you can save money
14 and time I'm guessing by eliminating or through
15 criteria reprioritizing these smaller buildings. So
16 getting to 280 can happen responsibly if you
17 reprioritize units that are not regulated or that are
18 five units and below. So I just wanted to know if
19 that's a possibility. Let's eliminate these smaller
20 buildings or not completely. But let's target
21 buildings that are six units and above to get to 280,
22 and reprioritize or decriterize [sp?], if that's a
23 word, the smaller buildings.

24 VITO MUSTACIUOLO: I mean, Council
25 Member, that certainly is a possibility. What we try

2 to do with the criteria is identify a good mix of
3 buildings in every size range. So the smaller
4 buildings that really do need a program like the
5 Alternative Enforcement Program are able to get into
6 the program. So we do try to weight it that, so
7 there is a fairness for all size buildings. And
8 especially buildings that are not covered under rent
9 control or rent stabilization. Because often times
10 those buildings, and there tend to be buildings that
11 don't have other means.

12 COUNCIL MEMBER REYNOSO: I feel like we
13 might jeopardize a program long term, and kind of
14 falling into almost like a building debt and having
15 to having to maintain. So that we can't continue to
16 produce more numbers in the future, and get new
17 buildings because of how much we've fallen into
18 maintaining the smaller buildings. I guess for a
19 good cause upfront we end up losing long term, and I
20 don't want that to happen. And I also want to get to
21 200 needy.

22 VITO MUSTACIUOLO: Yeah, I understand and
23 I think that's why it's important for us going
24 forward coming up with ideas on how to get buildings
25 moved from AEP to other programs.

2 COUNCIL MEMBER REYNOSO: So Third-Party
3 Transfer does that cost? So I know 7A
4 Administrator's cost. We have a budget. I guess is
5 \$2 million. It costs money. Third-Party Transfer
6 not so much, right?

7 VITO MUSTACIUOLO: There are costs
8 involved with that as well.

9 COUNCIL MEMBER REYNOSO: As extensive as
10 7A?

11 VITO MUSTACIUOLO: They can be.

12 COUNCIL MEMBER REYNOSO: They can be?

13 VITO MUSTACIUOLO: Yes.

14 COUNCIL MEMBER REYNOSO: Okay, we're
15 trying here. We would like to see you again so we
16 could discuss that, but I think that the TPT thing
17 and the 7A is very smart. It makes a lot of sense,
18 especially buildings that you are looking to separate
19 yourself from because they're a burden. And we could
20 have a not-for-profit, for example, take that on and
21 do that work.

22 VITO MUSTACIUOLO: Thank you.

23 COUNCIL MEMBER REYNOSO: So I think it's
24 a great idea, and I want to work with HPD to see if
25 we could figure that out.

2 VITO MUSTACIUOLO: Thank you.

3 COUNCIL MEMBER REYNOSO: Thank you.

4 CHAIRPERSON WILLIAMS: I don't know if
5 the Council Members have any issues or any questions?
6 All right. Sure.

7 COUNCIL MEMBER TORRES: About the -- No
8 one expects HPD to make like an individualized cost
9 analysis after every inspection, right. But I feel
10 just to echo the argument could be made that just as
11 a general rule you could have a separate fee for
12 inspections done in heating season. I think that's
13 something that would be much more feasible. So I'm
14 hopeful that you're going to look into it.

15 VITO MUSTACIUOLO: We will start working
16 on it today.

17 COUNCIL MEMBER TORRES: And then as to
18 Council Member Garodnick's point, I do feel like we
19 should write into the law a baseline set of
20 conditions so that everyone agrees are immediately
21 hazardous and hazardous and should retrigger a re-
22 inspection fee after three strikes.

23 VITO MUSTACIUOLO: And again, Council
24 Member, I think we need to have a follow-up meeting
25 to talk about some of the technical language.

2 COUNCIL MEMBER TORRES: Okay.

3 VITO MUSTACIUOLO: That's certainly issue
4 that we're interested in.

5 COUNCIL MEMBER TORRES: I appreciate it.
6 Thank you, Commissioner.

7 VITO MUSTACIUOLO: Thank you.

8 CHAIRPERSON WILLIAMS: Thank you for your
9 testimony, Vito and Ann Marie, and we appreciate the
10 work you're doing. Vito always does fantastic work,
11 and I know both of you guys, and Vito in particular,
12 are always responsive to my office on tenant
13 complaints. And I'm sure my colleagues share the
14 same sentiment of the responsiveness to tenant
15 complaints, and problems going on in the buildings.

16 VITO MUSTACIUOLO: Thank you, Chair.

17 CHAIRPERSON WILLIAMS: Thank you very
18 much.

19 CHAIRPERSON WILLIAMS: The next panel
20 that we will have will be Zaretta Conde [sp?] from
21 Make the Road New York. Yrania Sanchez [sp?] from
22 Make the Road New York, and Carmen Panero from
23 Brooklyn FAC and NHN, all testifying in favor. The
24 next panel after that will be Ezra Kautz, Harvey
25 Epstein, and Christine Appel. So they should be on

2 deck. But right now we're looking for Zaretta Conde,
3 Yrania Sanchez, and Carmen Panero. Sorry, Yrania.

4 [background conversation]

5 [Pause]

6 CHAIRPERSON WILLIAMS: Zaretta, Yrania
7 and Carmen?

8 [Pause]

9 CHAIRPERSON WILLIAMS: So this is Zaretta
10 Conde, Carmen Panero, and Yrania Sanchez? Is that
11 who is up here? And somebody to translate, I would
12 assume? There are four people so--

13 TRANSLATOR: [off mic]

14 CHAIRPERSON WILLIAMS: Thank you. You
15 will translate? Okay. Will everybody please raise
16 your right hand? Do you affirm to tell the truth,
17 the whole truth, and nothing but the truth in your
18 testimony today before this committee, and to respond
19 honestly to Council Member questions? Okay, you can
20 start in whichever order you prefer.

21 YRANIA SANCHEZ: [Speaking Spanish]

22 TRANSLATOR: Good morning, morning my
23 name is Yrania Sanchez. I'm a resident of 76 George
24 Street, a rent stabilized building in Bushwick, and
25 I'm a member of Make the Road New York.

2 YRANIA SANCHEZ: [Speaking Spanish]

3 TRANSLATOR: For the past nine years I've
4 lived in this building with my mother who is
5 incapacitated with my two children, my two daughters
6 who are both suffering from asthma.

7 YRANIA SANCHEZ: [Speaking Spanish]

8 TRANSLATOR: In October of 2012, things
9 took a change for the worst. My building was sold,
10 and the new owner intimidated and pressured me and
11 the residents of the building, the tenants. We are
12 the only family that remains, and we don't have a
13 place to go to.

14 YRANIA SANCHEZ: [Speaking Spanish]

15 TRANSLATOR: Without caring about the
16 fact that we were still living in the building, the
17 new owner began demolition of the other five units.

18 YRANIA SANCHEZ: [Speaking Spanish]

19 TRANSLATOR: Not caring that we still
20 lived in the building, the new owner started-- I'm
21 sorry. The boiler was removed, walls were torn down,
22 water leaked through our roof, and our windows were
23 covered with plywood.

24 YRANIA SANCHEZ: [Speaking Spanish]

25

2 TRANSLATOR: Here are some photos-- Some
3 pictures of my apartment before repairs.

4 YRANIA SANCHEZ: [Speaking Spanish]

5 TRANSLATOR: Before the reparations.

6 [sic]

7 YRANIA SANCHEZ: [Speaking Spanish]

8 TRANSLATOR: No one should live like
9 this. With the support of Make the Road, I filed a
10 case in Housing Court to improve my living
11 conditions, but go nowhere.

12 YRANIA SANCHEZ: [Speaking Spanish]

13 TRANSLATOR: The court process moves
14 slowly, and the landlord continued his terrible ways.

15 YRANIA SANCHEZ: [Speaking Spanish]

16 TRANSLATOR: Finally, in January 2014, my
17 building was added to HPD's Alternative Enforcement
18 Program. AEP inspectors came to my building on a
19 regular basis and issued fines each time they came
20 out.

21 YRANIA SANCHEZ: [Speaking Spanish]

22 TRANSLATOR: All of a sudden, the
23 landlord was very responsive. He wanted to fix
24 things right away to avoid more fines.

25 YRANIA SANCHEZ: [Speaking Spanish]

2 TRANSLATOR: It took almost two years to
3 see repairs after first going to court, but it could
4 have taken much longer had it not been for the
5 pressure of the Alternative Enforcement Program.

6 YRANIA SANCHEZ: [Speaking Spanish]

7 TRANSLATOR: Here are pictures of my
8 apartment after repairs were made through AEP.

9 YRANIA SANCHEZ: [Speaking Spanish]

10 TRANSLATOR: While my family is now in a
11 good place, there are still too many families across
12 the city battling neglectful landlords who often care
13 more about money than the people living there.

14 [background conversation]

15 CHAIRPERSON WILLIAMS: You can finish.

16 YRANIA SANCHEZ: [Speaking Spanish]

17 TRANSLATOR: If there is a program that
18 works to support these vulnerable families and is
19 aligned with our city's goals of providing affordable
20 housing, we should invest every penny that we have
21 into its growth.

22 YRANIA SANCHEZ: [Speaking Spanish]

23 TRANSLATOR: Our recommendation is
24 simple. Grow the Alternative Enforcement Program, a
25 good program with a proven track record by 50%. The

2 impact that this program will have on hundreds of
3 additional families that it would cover is priceless.
4 Thank you.

5 CHAIRPERSON WILLIAMS: Thank you. I
6 forgot to minute that you have three minutes to give
7 your testimony. So if you could try your best to fit
8 it in that time, we would really appreciate it.
9 Thank you. Whoever is next, please.

10 ZARETTA CONDE: Good morning. My name is
11 Zaretta Conde and I am a tenant from 383 Stonebridge
12 [sic] Street in Brooklyn, and a member of Make the
13 Road New York. For the last seven years, I live in
14 the same building under various owners. Time and
15 time again, the owner who came in were negligent, and
16 refused to make repairs in my apartment. In fact,
17 the only repairs that have been seen were the
18 emergency repairs made by the City itself. The
19 landlords never paid the City. Nobody forced them to
20 pay. While the repairs they don't-- My apartment I
21 have a leak in my bathroom, living room, and bedroom.

22 Bathroom they are so bad the mold has
23 started to fall. In addition, my back door needs
24 repairs. My front door needs to be changed out, and
25 my roof needs to be repaired. My apartment is no

2 place for someone to live. I'm a working mother by
3 myself, and I cannot afford to pay more rent. I stay
4 in my apartment right now even with the conditions
5 there is because I cannot afford the rent. The lack
6 of repairs in my building has caused some of the six
7 families to pick up and leave. And cited by the
8 landlord's work. [sic] Of the 86 violations in my
9 building, 65 are Class B violations, and 23 of the
10 violations exist in my apartment alone. Many of them
11 for over two years. Over and over again I call to
12 make complaints, and the HPD show up and tell me what
13 I already know, that my apartment is in bad shape.

14 Today, I'm here because I believe that we
15 need to give HPD more tools to get after bad actor
16 landlords. Since rent of this can only be collected
17 after Brooklyn Court process, landlords can do and
18 get away with not paying for any reason. Allow HPD
19 to charge \$200 inspection fee, and after the third
20 complaint based on regulations in one year without
21 court intervention could help force landlords to
22 comply. As a tenant who lives with horrific
23 conditions, I can't continue to wait for the landlord
24 to fix on his clock. Thank you very much.

25 CHAIRPERSON WILLIAMS: Thank you.

2 [Pause]

3 CARMEN PANERO: [Speaking Spanish]

4 TRANSLATOR: My name is Carmen Panero. I
5 live-- Where in Brooklyn?

6 CARMEN PANERO: [Speaking Spanish]

7 TRANSLATOR: 230 Street in Brooklyn.

8 CARMEN PANERO: [Speaking Spanish]

9 TRANSLATOR: Park Place in Brooklyn.

10 CARMEN PANERO: [Speaking Spanish]

11 TRANSLATOR: I've been living in this
12 apartment for the past 54 years.

13 CARMEN PANERO: [Speaking Spanish]

14 TRANSLATOR: But the building is kind of
15 and the owner is--

16 CARMEN PANERO: [Speaking Spanish]

17 TRANSLATOR: On June 26th, there was
18 water damage on the floor just above.

19 CARMEN PANERO: [Speaking Spanish]

20 TRANSLATOR: And so, they took the time
21 to fix the building, and they put us in a hotel for
22 two days.

23 CARMEN PANERO: [Speaking Spanish]

24 TRANSLATOR: Because they had to put
25 some--

2 CARMEN PANERO: [Speaking Spanish]

3 TRANSLATOR: Like a dryer to dry the
4 wall.

5 CARMEN PANERO: [Speaking Spanish]

6 TRANSLATOR: When I came back to my
7 building, the super told me that I couldn't live in
8 this building any more.

9 CARMEN PANERO: [Speaking Spanish]

10 TRANSLATOR: They were going to send me
11 to a different apartment.

12 CARMEN PANERO: [Speaking Spanish]

13 TRANSLATOR: But I denied it.

14 CARMEN PANERO: [Speaking Spanish]

15 TRANSLATOR: These are my photos. When I
16 returned to my home--

17 CARMEN PANERO: [Speaking Spanish]

18 TRANSLATOR: The upper part--

19 CARMEN PANERO: [Speaking Spanish]

20 TRANSLATOR: This is what I found in my
21 apartment. It was destroyed.

22 CARMEN PANERO: [Speaking Spanish]

23 TRANSLATOR: It had impacted everything.

24 CARMEN PANERO: [Speaking Spanish]

25 TRANSLATOR: They had moved everybody.

2 CARMEN PANERO: [Speaking Spanish]

3 TRANSLATOR: I refused.

4 CARMEN PANERO: [Speaking Spanish]

5 TRANSLATOR: The two pictures above.

6 CARMEN PANERO: [Speaking Spanish]

7 TRANSLATOR: Since I refused to change
8 apartments, they offered me a ticket-- a plane ticket
9 to Puerto Rico.

10 CARMEN PANERO: [Speaking Spanish]

11 TRANSLATOR: When I--

12 CARMEN PANERO: [Speaking Spanish] To go
13 to Puerto Rico. To stay in Puerto Rico. To put
14 everything in storage. I'm sorry. When my family is
15 ready, they are going to call me. Yeah, okay. I
16 come to the hearing. I come to the hearing and I
17 stay in my apartment. They send me and [Speaking
18 Spanish]

19 TRANSLATOR: We went to court.

20 CARMEN PANERO: [Speaking Spanish]

21 TRANSLATOR: And we won the case. [bell]

22 CARMEN PANERO: And the landlord say he
23 going to send somebody. [Speaking Spanish]

24 TRANSLATOR: So they were going to send
25 someone to fix it.

2 CARMEN PANERO: [Speaking Spanish]

3 TRANSLATOR: They went on the 14th of
4 August.

5 CARMEN PANERO: [Speaking Spanish]

6 TRANSLATOR: The pictures that you see
7 here--

8 CARMEN PANERO: [Speaking Spanish]

9 TRANSLATOR: --they completely destroyed
10 the apartment. I don't have walls in my apartment.

11 CARMEN PANERO: [Speaking Spanish]

12 TRANSLATOR: I can't cook. I don't have
13 a kitchen.

14 CARMEN PANERO: Nothing

15 TRANSLATOR: Nothing.

16 CARMEN PANERO: They destroyed
17 completely, ceilings, everything, everything.

18 [Speaking Spanish]

19 TRANSLATOR: They said the only repairs
20 they can make-- I have to leave the apartment.

21 CARMEN PANERO: [Speaking Spanish]

22 TRANSLATOR: They said I have to leave
23 the apartment for them to repair it.

24 CARMEN PANERO: [Speaking Spanish]

25 TRANSLATOR: I don't want to leave.

2 CARMEN PANERO: [Speaking Spanish]

3 TRANSLATOR: I know that if I leave, I
4 won't be able to come back.

5 CARMEN PANERO: [Speaking Spanish]

6 TRANSLATOR: So I've been living a
7 nightmare for the past months. [sic]

8 CARMEN PANERO: [Speaking Spanish]

9 TRANSLATOR: I can't cook.

10 CARMEN PANERO: [Speaking Spanish]

11 TRANSLATOR: I can't take a shower
12 because the walls are destroyed.

13 CARMEN PANERO: [Speaking Spanish]

14 TRANSLATOR: They've destroyed the window
15 frames, the curtains.

16 CARMEN PANERO: [Speaking Spanish]

17 TRANSLATOR: I can't do anything. I have
18 to wait until 3 o'clock in the morning to take a
19 shower when other people are sleeping.

20 CARMEN PANERO: [Speaking Spanish]

21 TRANSLATOR: Yesterday, I got a phone
22 call from a lawyer.

23 CARMEN PANERO: [Speaking Spanish]

24 TRANSLATOR: They want to bring back the
25 contractor.[sic]

2 CARMEN PANERO: [Speaking Spanish]

3 TRANSLATOR: But I can't be there. I
4 can't see what they're doing.

5 CARMEN PANERO: [Speaking Spanish]

6 TRANSLATOR: And I can't accept that
7 because I know they're going to continue destroying
8 what they haven't already destroyed.

9 CARMEN PANERO: [Speaking Spanish]

10 TRANSLATOR: I know the inspectors go
11 almost every day to my home.

12 CHAIRPERSON WILLIAMS: And I understand
13 that it's a very stressful situation. I'm sorry
14 you're going through it. If you can wrap up. I
15 think I have a question and my colleagues have a
16 question. So if you can just wrap up with your
17 testimony.

18 TRANSLATOR: [Speaking Spanish]

19 CARMEN PANERO: [Speaking Spanish]

20 TRANSLATOR: I am not paying rent right
21 now.

22 CARMEN PANERO: [Speaking Spanish]

23 TRANSLATOR: I don't have any security.

24 [sic]

25 CARMEN PANERO: [Speaking Spanish]

2 TRANSLATOR: The inspectors it's not the
3 first time they found two--

4 CARMEN PANERO: [Speaking Spanish]

5 TRANSLATOR: --two emergencies.

6 CARMEN PANERO: [Speaking Spanish]

7 TRANSLATOR: According to the contractor
8 right now there are 12.

9 CARMEN PANERO: [Speaking Spanish]

10 TRANSLATOR: Because they damaged
11 everything and my things. They removed all the rugs
12 off the floor. They have destroyed everything and my
13 things as well.

14 CHAIRPERSON WILLIAMS: Sorry you're going
15 through it. You're going to have to stop here. I
16 apologize, but I have a question and I know my
17 colleagues do. Thank you all for your testimony in
18 making sure that people understand what you all are
19 going through, and putting some faces to the tenants
20 that are usually put together as just numbers. I had
21 a question with your case. You said that the
22 landlord offered to put you in another apartment
23 while the repairs were being made.

24 TRANSLATOR: [Speaking Spanish]

25 CARMEN PANERO: [Speaking Spanish]

2 TRANSLATOR: They took me as a trick.

3 CARMEN PANERO: [Speaking Spanish]

4 TRANSLATOR: And I asked--

5 CARMEN PANERO: [Speaking Spanish]

6 TRANSLATOR: They said I have to be
7 outside of the apartment.

8 CHAIRPERSON WILLIAMS: They offered you
9 to go to another apartment?

10 CARMEN PANERO: Yes.

11 CHAIRPERSON WILLIAMS: And why didn't you
12 want to go to the other apartment?

13 CARMEN PANERO: Why?

14 CHAIRPERSON WILLIAMS: Si.

15 TRANSLATOR: She was saying that because
16 it was a trick. She knows that once she leaves--

17 CARMEN PANERO: Because I know that
18 because of the way they destroyed the apartment I
19 know they want-- Because they say the apartment.

20 CHAIRPERSON WILLIAMS: I see. Okay.
21 Thank you. Council Member Mendez.

22 COUNCIL MEMBER MENDEZ: I'm going to ask
23 my questions in Spanish. [Speaking Spanish]

24 CARMEN PANERO: [Speaking Spanish]

25

2 CHAIRPERSON WILLIAMS: Council Member,
3 can you translate that?

4 COUNCIL MEMBER MENDEZ: I asked if she
5 had an attorney who is working on her case, and she
6 said yes. So do you want to know if someone is here
7 from HPD?

8 TRANSLATOR: [Speaking Spanish]

9 COUNCIL MEMBER MENDEZ: And Mr. Chair,
10 you need to ask that HPD always keeps a person here
11 because they should go back. This is a construction
12 eviction and HPD can bring a case if they are not
13 doing the repairs. If the landlord is not taking
14 steps to do the repairs.

15 CARMEN PANERO: [Speaking Spanish]

16 COUNCIL MEMBER MENDEZ: [Speaking
17 Spanish] So I'm just saying that she has a lawyer.
18 Unless an inspector can say whether the repairs can
19 be done with tenants in place and the judge can order
20 it. If they don't do it, then they get hit with
21 fines. And there have been very-- a lot of
22 intensive repairs that have been done with tenants in
23 place. So that the judge and the inspector should be
24 determining whether this is possible. [Speaking
25 Spanish]

2 CARMEN PANERO: [Speaking Spanish]

3 COUNCIL MEMBER MENDEZ: [Speaking

4 Spanish] So I would ask, Mr. Char, that someone does
5 contact HPD because she's saying the inspectors have
6 come, and they don't understand the reason why the
7 work cannot be done with the tenant in place. She
8 has water, but she has no privacy. She has no walls.
9 So it's not a very-- You know, she's being denied
10 services, and HPD should start a case against this
11 owner if it seems like it merits it.

12 CHAIRPERSON WILLIAMS: Thank you, just
13 so--

14 COUNCIL MEMBER MENDEZ: [interposing]
15 Muchas gracias.

16 CHAIRPERSON WILLIAMS: For disclosure, I
17 spoke to Ms. Panero yesterday with some of the
18 advocates. So we have engaged, and we are reaching
19 out to her council member to also see what has been
20 done before. So we are definitely active, and this
21 is a case that concerns me. Thank you. Council
22 Member Cornegy.

23 COUNCIL MEMBER CORNEGY: Actually, you
24 just answered my question. I wanted to know what the

2 cross-streets were for her apartment. So clearly I'm
3 not her council member. Okay.

4 TRANSLATOR: [Speaking Spanish]

5 CARMEN PANERO: Okay, it is on Flatbush
6 and Vanderlande. [sic].

7 CHAIRPERSON WILLIAMS: Yeah, we're aware
8 of who your council member is, and we're reaching out
9 to them, and they are going to reach out to HPD.
10 Gracias. Thank you.

11 [background conversation]

12 [Pause]

13 CHAIRPERSON WILLIAMS: Now, we've been
14 joined also by Council Member Rodriguez. Please come
15 to testify as Ezra Kautz from Make the Road New York.
16 Harvey Epstein from the Urban Justice Center. And
17 Christine Appel from the Legal Aid Society. They are
18 in favor. Next up will be-- How do you say that?
19 Next up will the last panel after this panel. So the
20 names I'm calling now will come up after this panel.
21 Hilary Klein, Dalsenia Glover, Cathy Dang, and
22 Aquarius Goodrich. So please remain on deck. For
23 now, let's have Ezra Kautz, Harvey Epstein, and
24 Christina Appel. Please come. Okay.

25 [Pause]

2 CHAIRPERSON WILLIAMS: If he's not here,
3 he can go on the next panel. So let's call up Hilary
4 Klein. Ms. Hilary Klein.

5 [Pause]

6 CHAIRPERSON WILLIAMS: All right. Can
7 you all please raise your right hand. Do you affirm
8 to tell the truth, the whole truth, and nothing but
9 the truth in your testimony before the committee, and
10 to respond honestly to Council Member questions?

11 PANEL: Yes.

12 CHAIRPERSON WILLIAMS: Thank you. You
13 can start in whatever order you prefer.

14 [Pause]

15 CHRISTINE APPEL: Good morning, Chairman
16 Williams and the Council Members of the Housing and
17 Building Committee. My name is Christine Appel and
18 I'm staff attorney at the Legal Aid Society of New
19 York, Queens Neighborhoods Office. I'm here to
20 impart our support for the dual proposals for 345-A
21 and 348-A to amend the Housing Maintenance Code, and
22 the Administrative Code to bolster efficiency in
23 securing the repairs and hence landlord
24 accountability and expand HPD's Alternative
25 Enforcement Program. We believe that by adopting

2 these measures, they would be very beneficial to the
3 lives of millions of families in New York. And
4 advance security and environmental health.

5 From our unique vantage point as the
6 nation's oldest and largest legal services provider,
7 we have advocated for these types of measure. And
8 see on a daily basis how effective they could be.
9 I'll give three key reasons why we should support
10 these measures and conclude with some suggestions.

11 The first is that the current remedies
12 are not very practical for our tenants. For
13 instance, repair and deduct. Many of our tenants
14 can't afford to pay for repairs upfront, and if they
15 don't follow the proper protocol, they actually will
16 not be reimbursed. Withholding rent only gets you
17 sued for non-payment in Housing Court, which could
18 affect your credit history and your tenant screening
19 report, which would make life even more difficult for
20 you.

21 Abatements. That's a very key issue in
22 Housing Court because for our tenants, they need all
23 the money upfront normally. If you go in for
24 abatement, you have reduced time to pay. So tenants
25 have to decide whether or not they can get the

2 arrears to pay or they can get time to pay. Or, get
3 an abatement, which would reduce their time to
4 deliver the arrears.

5 The second key reason is that non-
6 compliance results only in increased litigation, and
7 missed days of work, aggravated symptoms, and also
8 aggravated conditions, which makes it more costly for
9 the City.

10 The third key is that environment health
11 studies have shown that the impact of a failure to
12 repair only has a very serious impact on people's
13 health. I have outlined some scientific research to
14 support this in my testimony. Ultimately, securing
15 repairs can be very difficult without strong legal
16 and administrative support. The regulations simply
17 aren't working as they should. We encourage you to
18 adopt 345-A and 348-A to expand AEP to promote better
19 communication and enhance accountability. They
20 incentivize compliance, and we believe that by taking
21 stronger steps we can protect the health and housing
22 security of New Yorkers.

23 HILARY KLEIN: The Legal Aid Society
24 thanks you for taking the time to address this

2 serious matter, and we appreciate your concern.

3 Thank you.

4 HILARY KLEIN: Good morning, Chair
5 Williams and members of the Committee. Thank you for
6 having us here today. My name is Hilary Klein. I am
7 Chief of Staff at Make the Road New York, which is a
8 membership based community organization with over
9 15,000 members in Brooklyn, Queens, Staten Island,
10 and Long Island. We have member organizing campaigns
11 as well as services. You will hear from Ezra, who is
12 a member of our legal team, in a moment.

13 But I wanted to speak in support of the
14 legislation that's being proposed today, but
15 specifically about the AEP report that Make the Road
16 produced last year in 2013. I was one of the co-
17 authors of this report, and it's been cited already
18 earlier to day. But the reason we-- You know, Make
19 the Road is very much a part of, as I'm sure everyone
20 here knows the Sub Housing Act in 2007, which created
21 the Alternative Enforcement Program. Make the Road
22 was one of the key groups that fought alongside many
23 other tenant organizations to make that happen
24 together with the support of the City Council.

2 It's something that we have always been
3 very proud of. So five years into the program we
4 wanted to do a little bit of analysis of where is the
5 program today. And so, we heard from HPD earlier
6 about some of the numbers. Make the Road did a
7 report based on surveys that we went to. We did a
8 methodology, sort of a random sampling. So we
9 covered small buildings, medium sized buildings,
10 large buildings, and door knocked and spoke to 85
11 tenants in AEP buildings to get their response to the
12 AEP program. So one of our key findings, one of the
13 things that we heard most from people was that the
14 overall safety of the program, I mean of the
15 buildings it proved thanks to the AEP program.

16 So, for example-- Let's pull up the
17 statistics a little bit. So for example the tenants
18 were asked to rate the physical safety of their
19 building before and after AEP. And most tenants
20 reported that their building's physical safety was
21 significantly better after AEP than before. I'll
22 skip over the specifics of the numbers because I am
23 on the clock. But one of our members also said, and
24 this is a quote from her. "Before my building was in
25 the AEP program the electricity was horrible. The

2 pipe heating would go on and off. We had rodents,
3 and the light fixtures filled up with water causing
4 leaks. Once, breaking glass injured me. Now, after
5 the AEP, there are new windows, new lighting, and an
6 exit sign in the hallway. Within my apartment there
7 are new light bulbs, a refrigerator and new walls. I
8 would like to point out that the City did the work,
9 not the landlord."

10 So, one of the key recommendations that
11 came out of this report was increasing, expanding the
12 AEP program by 40% so that a number more buildings
13 could be reached. And I think you've already heard
14 from some of the tenants impacted about why this is
15 so critical. Another thing that I wanted to mention
16 was actually the change in our recommendations. That
17 while we heard from HPD that they wanted to reduce
18 the number [bell] of-- Can I take like ten more
19 seconds? Originally with some of the small
20 buildings, we have advocated really specifically to
21 include the small buildings in the AEP program.
22 Partly because there are certain areas like Bushwick
23 that are made up of so many small buildings, that if
24 the small buildings were not included, that they
25 would not be included in the program at all. But we

2 do, we have heard from HPD their perspective on the
3 way that the program is more effective at bigger
4 buildings.

5 And to be honest, in the years since we
6 originally made that recommendations, areas such as
7 Bushwick faced such intense justification and
8 displacement that buildings without tenant
9 protections actually when those repairs are made, the
10 tenants are not protect to be able to stay in their
11 homes. So we feel like there is really good reason.
12 We now support the recommendation of limiting the
13 number of small buildings that are in the program, so
14 that it's specifically rent stabilized. There is
15 more of a focus on rent stabilized buildings to
16 receive these types of repairs. Sorry. I apologize
17 for going over time, and I'll leave with that. Thank
18 you.

19 EZRA KAUTZ: Thank you. My name is Ezra
20 Kautz. I'm a housing attorney at Make the Road New
21 York. I work primarily with tenants and tenant
22 associations in Bushwick, a neighborhood where
23 chronic problems with code enforcement has been
24 compounded in recent years by a rapid increase in
25 property values and displacement. Which means that

2 low income tenants, our members and clients, caught
3 in the middle. Current economic conditions encourage
4 owners to ignore violations of the Maintenance Code
5 in affordable apartments in the hope that-- Excuse
6 me. In the hope that tenants will be forced to move
7 out. The owner can then renovate the apartment, and
8 double or triple the rent.

9 Meeting the City's goals for affordable
10 housing must include preserving units that are
11 currently affordable. Otherwise, we will lose far
12 more than we are able to build. There is a direct
13 connection between code enforcement and gentrifying
14 neighborhoods like Bushwick, and helping low income
15 families stay in their homes that they can afford.
16 Because of market forces and because of vacancy
17 decontrol laws, once these families leave, it is a
18 safe bet that they apartment will no longer be
19 affordable for future low or middle income families.
20 Therefore, Make the Road welcomes these proposals to
21 expand HPD's tools for code enforcement.

22 My colleagues and I have seen in our
23 cases that placement ability in AEP improves the
24 living conditions of the building, and helps stem the
25 tide of displacement. In particular, just to echo

2 what Hilary said, we encourage the program to
3 prioritize buildings with six or more units. From
4 the legal perspective not only would this be more
5 cost effective, but these units are more likely to be
6 covered by rent stabilization. And more likely to
7 stay affordable for the longer term for those tenants
8 if they are able to stay in their apartments in
9 habitable conditions.

10 In addition, we support granting HPD the
11 authority to charge inspector fees for repeat
12 violators outside of AEP. Many landlords have
13 learned that they can ignore multiple violations
14 for months or even years before taken to court, and
15 even then they can delay the process. And end up
16 paying pennies on the door in exchange for another
17 empty promise to make repairs. For example, in one
18 of my client's buildings, a private equity company
19 bought 121 Irving Avenue last fall. The new owners
20 refused to speak to the tenants about repairs. The
21 owners were only interested in discussing buyouts.
22 The tenants organized. They called 311. Over the
23 next several months HPD issued over 100 violations.
24 The landlord still ignored them.

2 The tenants started an HP action in
3 Housing Court, and the landlords agreed to a schedule
4 for repairs, a consent order, which was still
5 ignored. It was only when the tenants' contempt
6 motion was approaching trial that the landlord saw--
7 These are investors. They saw the potential for
8 significant financial penalties, and then they began
9 to make repairs. There are few tenants that are as
10 organized as the tenants at 121 Irving. Only a small
11 proportion of tenants go to Housing Court. I'll just
12 wrap up. [bell] And of those, only a few really push
13 these cases to the end. By giving HPD the authority
14 to assess inspector fees without having to go to
15 court, this law will give owners an immediate non-
16 negotiable financial incentive to act. Thus, helping
17 to create a culture of compliance outside of the
18 court. Thank you very much.

19 CHAIRPERSON WILLIAMS: Thank you very
20 much. Do my colleagues don't have any questions. So
21 thank you for giving your testimony. We really
22 appreciate it. The last panel will Harvey Epstein,
23 Urban Justice Center; Delsenia Glover, Tenants and
24 Neighbors; Kathy Dang, CAAAV, Organizing Asian
25 Communities; Aquarius Goodrich, 702 Rockaway. A

2 shout out to everybody. I've got to give a special
3 one to Tenants and Neighbors because I was a former
4 Executive Director there.

5 [Pause]

6 CHAIRPERSON WILLIAMS: Can you all please
7 raise your right hand. Do you affirm to tell the
8 truth, the whole truth, and nothing but the truth in
9 your testimony before this committee, and to respond
10 honestly to Council Members?

11 PANEL: [off mic] Yes.

12 CHAIRPERSON WILLIAMS: Thank you. You
13 can start at your leisure, and whichever order you
14 prefer.

15 [Pause]

16 DELSENIA GLOVER: Good morning. Thank
17 you to Chair Williams and to the members of the
18 Housing and Buildings Committee for the opportunity
19 to testify today. My name is Delsenia Glover, and
20 I'm the Rent Regulation Lead Organizer for New York
21 State Tenants and Neighbors Information Service and
22 New York State Tenants and Neighbors Coalition. They
23 are two affiliate organizations that share a common
24 mission to build a powerful and unified statewide
25 organization that empowers and educates tenants,

2 preserves affordable housing within neighborhoods and
3 diverse communities and strengthens tenant
4 protections. The Information Service organizes
5 tenants and at-risk regulated and subsidized housing
6 including Mitchell-Lama and project based Section 8
7 helping to preserve their homes as affordable
8 housing. We also organize administrative reform
9 campaigns.

10 The coalition is a 501(c)(4) membership
11 organization that does legislative organizing to
12 address the underlying causes of loss of
13 affordability. Our membership organization has over
14 3,000 dues paying members. In building where we
15 organize, the story is the same. Low and moderate
16 income tenants in New York City are regularly
17 experiencing the pressure of displacement. New York
18 City has lost an immense amount of affordable units.
19 Rents continue to go up, and conditions are
20 worsening. Tenants struggle to both stay in their
21 homes as their rents become unaffordable and their
22 building falls into disrepair.

23 Tenants and Neighbors is support of the
24 Quality Housing Act 345 and 348. Poor conditions and
25 lack of services are forms of harassment that lead to

2 the displacement of rent regulated tenants, and the
3 growing non-affordability of the rent regulated
4 housing stock. The predatory equity model that has
5 targeted affordable housing at over-leveraged prices
6 has led to buildings suffering in terms of
7 maintenance and services. In the predatory equity
8 model, loopholes in the rent laws provide increased
9 incentive to get tenants out, and can lead to
10 maintenance and services being deferred so owners can
11 get tenants out of the buildings.

12 The Alternative Enforcement Program has a
13 proven strong track record, and has helped to repair
14 some of New York City's most substandard building.
15 Expanding this program would have a significant
16 impact on many communities. And posting increased
17 information for tenants is an important strategy for
18 tenant education to ensure that tenants are able to
19 access resources. We agree strongly with the
20 importance of having significant inspector fees to
21 deter bad actors from continuing with lack of
22 maintenance and services. Financial penalties are
23 important, too, to correct bad behavior, as well. We
24 are in support of both pieces of legislation, and
25 encourage their swift passage through the City

2 Council Tenants need as many tools as possible to
3 use to ensure that they are living safe, secure,
4 habitable, and affordable housing. Thank you for the
5 opportunity to testify today.

6 [Pause]

7 AQUARIUS GOODRICH: Good day, Council,
8 ladies and gentlemen. My name is Aquarius Goodrich.
9 I am here to represent the neighbors who reside at
10 702 Rockaway Avenue. For some time now we have been
11 living in despicable conditions with rodents taking
12 over. The garbage situation is unbearable. We have
13 the situation of no gas for months. Electricity is a
14 problem, but fortunately HPD has stepped in and
15 provided us with lights for now. Now the heat and
16 the water is a problem as the owner refused to pay
17 the bill. And so, we have been threatened of water
18 cut-off and heat. It's getting cold now, and we have
19 small children also with health conditions living
20 there.

21 The building is being graffitied because
22 the front is always open because the lock does not
23 work. We need the building painted, and the rent
24 deregulated. We are being charged \$800 per room
25 because about seven or six people live in one unit.

2 And there is no super in the building. We feel
3 unsafe, and the light fixtures is a problem. We have
4 leaks. The roof is falling down, and this is no way
5 for human beings to live. This is no way for us to
6 live. We are treated as sub-human. We living in
7 hell at 702 Rockaway. Hence, the reason we seek the
8 help of New York Community for Change who has stepped
9 in, and trying to assist us as much as they can.

10 We feel isolated, and we feel that we are
11 living in an abandoned building. And we have to do
12 it on our own as regards to taking care of ourself
13 where we feel like we own the building. There is an
14 owner of this building. And ware are just left there
15 to rot. This is how we feel. We feel depressed at
16 night, and we wake up with uncertainty in the morning
17 what will happen to us. So, therefore, we live in
18 limbo at 702 Rockaway Avenue. This is my testimony.
19 I would like to thank everybody for giving me this
20 opportunity to speak about what is going on at 702
21 Rockaway. Thank you very much.

22 CATHY DANG: Good afternoon. Thank you
23 for allowing me to share this testimony on behalf of
24 our tenants who are constantly fighting to remain in
25 their home, and to demand greater accountability from

2 landlords to improve living conditions. My name is
3 Cathy Dang and Executive Director of CAAAV,
4 Organizing Asian Communities. We're a citywide
5 organization with the mission to organize and build
6 the power of low income Asian immigrants and refugees
7 for racial gender and economic justice. We organized
8 on two issues: Housing and Police Accountability.
9 [SIC]

10 Our Chinatown Tenant's unique project
11 organizes rent stabilized tenants in Chinatown for
12 the right to remain in their homes, to improve
13 building conditions to rezone Chinatown to protect it
14 from further community displacement. We have lost
15 20% of the Asian residents in Chinatown according to
16 the U.S. Census in the last ten years, and nearly
17 15,000 affordable units in Chinatown Lower East Side
18 since 2006. Landlords and developers use an array of
19 tactics to drive tenants out of their homes sending
20 tenant relocation specialists to force buyouts for
21 the court proceedings, verbal threats, and refusing
22 essential services and repairs.

23 Landlords have left many buildings in
24 distress as a means of tenant harassment to drive
25 them out so they can flip units into market rate

2 units. These are buildings with unfaced staircases,
3 illegally formed units by the landlord, hanging
4 electrical wires, rodent infestation, and holes in
5 ceilings and floors. These are apartments with
6 children. In Chinatown, we don't have enough
7 organizers to keep up with the pace of DOB or HPD
8 vacate orders that seem to happen almost every single
9 month because of unsafe living conditions. These
10 landlords are negligent and put families' lives in
11 jeopardy, and should be held responsible.

12 We thank the council members that pushed
13 for the Housing Quality Act, and we support this.
14 With my time remaining, I also want to point out that
15 there was a conversation earlier about the number of
16 units versus the number of buildings. I just want to
17 point out that in Chinatown Lower East Side many
18 buildings are smaller buildings with fewer units, but
19 they should not be reprioritized. A lot of them are
20 rent regulated units, and there are very few rent
21 regulated units left in the Manhattan. And a lot of
22 them are in Harlem and Chinatown on the Lower East
23 Side. So I just want to point out that we also
24 should consider a balance between small, medium, and

2 large size buildings when AEP looks into the
3 buildings that they take on.

4 HARVEY EPSTEIN: Thank you for the
5 opportunity to testify as well. My name is Harvey
6 Epstein. I'm from the Urban Justice Center. I just
7 want to focus on a few point because I think what
8 Cathy said is really important. When AEP was started
9 in 2007, there was a big push to make push to make
10 sure the units that were below six units were
11 included because there was a concern that we were
12 just going to lose a whole portion of the population.
13 The reality is that we've seen how the government
14 monies that are spent.

15 Over \$10 million over the last ten years
16 has being spent on buildings that are below six
17 units, but they have no rent protections. So the
18 idea of focusing our resources on rent stabilized
19 units is really what we're asking HPD to do. And we
20 encourage the Council through HPD's administrative
21 process or through legislative process to focus on
22 buildings that have six units or more.

23 The second thing about the inspectors to
24 use is I think it's critical to all our buildings
25 that we work with CAAAV or a building that I'm

2 thinking about on Villa Avenue in the Bronx. It was
3 only at 16-unit building but there were 600
4 violations on the building. An outrageous number for
5 the size of the unit. Owners had no obligations.
6 There was no predatory equity landlord. They had no
7 obligation to do anything. The City was figuring out
8 to do. They had no teeth. This allows more teeth.

9 The same thing with expanding AEP. The
10 idea of going from 200 buildings to 280 buildings is
11 a great first step. We also know that through our
12 experiences with AEP, which is an extremely
13 successful program, that the larger buildings, in
14 those buildings owners take a lot of opportunity to
15 fix up the buildings. So we saved over a million
16 dollars. We understand that HPD had limited CDBG
17 money, and we don't want to spend it all. But if we
18 have buildings that are available that we put to the
19 program, and the owner fixes it themselves, it allows
20 us to get more buildings into the program.

21 So that we're not trying to exclude small
22 buildings. I think that we're trying to include
23 every building that is unstabilized. But some of
24 those buildings may look for other programs outside
25 of AEP to look at enforcement. AEP is one tool in

2 this toolbox that HPD has. We want to expand those
3 tools, but we also want to be mindful that once a
4 building is fixed up, we want to maintain it as an
5 affordable unit. And that in some ways focusing in
6 on the regulated units. Thank you for your time.

7 CHAIRPERSON WILLIAMS: Thank you. Ms.
8 Goodrich, you said that HPD is in your building?

9 [Pause]

10 AQUARIUS GOODRICH: Sorry, sir. HPD came
11 to visit our visit I think more than once. Yes,
12 twice, and yeah, they came and they are assisting us
13 with the lights right now. They put up a few guards
14 downstairs, but that's about it.

15 CHAIRPERSON WILLIAMS: Are you working
16 with-- I see your NYCC sticker. So are you working
17 with them.

18 AQUARIUS GOODRICH: No, I'm a member.

19 CHAIRPERSON WILLIAMS: Are they working
20 with you to--

21 AQUARIUS GOODRICH: [interposing] Yes,
22 they are. They are trying to do the best they can
23 with us.

24 CHAIRPERSON WILLIAMS: Okay, so if
25 they're good observation, but obviously there is

2 nothing-- If something is stalling, and my office
3 can help with something, I'd be happy to do that.

4 AQUARIUS GOODRICH: Okay, thank you, sir.

5 CHAIRPERSON WILLIAMS: Council Member
6 Mendez.

7 COUNCIL MEMBER MENDEZ: Thank you, Mr.
8 Chair. I first want to give a shout out to my intern
9 from John Jay College Jacqueline Blake, who is here
10 with us today. Second, I want to echo what is being
11 said by CAAAV. I think small buildings are
12 important, and maybe we need to look at a different
13 criteria, but I don't think we should be excluding
14 the altogether. Because then that just leaves a
15 certain type of housing stock that our residents and
16 our community residents don't have access to
17 whatsoever. And it is important that if they don't
18 have those protections, this is the only way they're
19 going to get repairs, and then they get shielded
20 through this program.

21 My question is for Harvey Epstein from
22 Urban Just center. Vito Mustaciuolo I think gave
23 testimony and he said that HPD could not sustain 80
24 new buildings in this program, but said that they
25 felt comfortable doing 50. Would that be-- How do

2 you feel about that? And anybody else who wants to
3 answer the question.

4 CATHY DANG: I just want to quickly thank
5 you, Council Member Mendez, for making this a part of
6 CAAAV. Our entire neighborhood is almost entirely
7 small tenement buildings.

8 CHAIRPERSON WILLIAMS: I'm sorry, when
9 you say 'small buildings' how big?

10 CATHY DANG: It ranges anywhere between--
11 There are some that are like five units, and there
12 are some 20. But even the 20 are so small that it's
13 a small building.

14 CHAIRPERSON WILLIAMS: So if we start
15 with--

16 COUNCIL MEMBER MENDEZ: [interposing] And
17 there is some overlap with their attachment area.
18 But we have like four-unit buildings and up. And
19 some people were losing them. Maybe rent controlled
20 in those buildings.

21 HARVEY EPSTEIN: Yes, I just want to say
22 that I think the focus on rent stabilized is just
23 something that we've been talking about. I know over
24 the last seven years with the idea of ensuring that
25 people are in the buildings to stay. And I would in

2 no way encourage us to exclude small buildings
3 because I think that is a huge part of our affordable
4 housing stock. But I think we have to find the
5 balance between that and some of the large buildings.
6 We've been over the last seven years really steered
7 towards smaller buildings. We need to find that
8 balance, and the issue of the two to five I think is
9 a tougher conversation about ensure that people who
10 get repairs will be able to stay. And that's the
11 goal of maintaining affordable units. I think that's
12 everyone's goal here. On the issue of 250 versus
13 280, I think the concern that the Deputy Commissioner
14 talked about is being able to have resources to put
15 money into doing the repairs. And I think that's a
16 legitimate concern. But I think we should be mindful
17 that it's not just the money in the repairs. It's
18 the staffing that they have resources for that can
19 then reach out to buildings that we think are
20 problematic buildings. And some of those owners then
21 can go ahead and do the work themselves. And we can
22 have a longer pipeline. I think I would be happy
23 with 250 versus 200, and if we get to 280 it's even
24 better. But I think we should try to push them a
25 little to try to get the number up. Because

2 recognizing that 250 and 280 it may seem historically
3 that the buildings-- At least where we think that
4 half of those buildings the owners come in and do the
5 work. But we're having an array of buildings that
6 are having less of the two to five, and more of the
7 six to 20-unit building. And some of the larger
8 buildings. And I think we'll be able to use our
9 resources more wisely, and get more buildings
10 covered. Which is everyone's goal to make sure that
11 there's more work done by landlords, and then what's
12 left over the city had to do themselves.

13 [Pause]

14 CHAIRPERSON WILLIAMS: All right. Thank
15 you very much.

16 COUNCIL MEMBER MENDEZ: Can I just say
17 something, Mr. Chair.

18 CHAIRPERSON WILLIAMS: Go ahead.

19 COUNCIL MEMBER MENDEZ: Okay. SO I just
20 want to say that if a lot of these small buildings
21 are fitting the criteria, that means those buildings
22 are in really bad shape. And it's because the
23 tenants have no rent protections, and are not going
24 to court because they're afraid to lose their
25 apartment. So I think it really means that this

2 program is important in all of these buildings
3 irrespective of how many units it is. And agreement
4 yeah 250 is better than 280, is better than 200. So
5 if we can't get to 280, let's see how close we can
6 get to there. Did HPD say that they could do the
7 250, that they could raise it to 250.

8 HARVEY EPSTEIN: Yes.

9 COUNCIL MEMBER MENDEZ: And I also wanted
10 to clarify that their concern was also not just doing
11 extra buildings. It was doing extra buildings multi-
12 year because it takes several years for the buildings
13 to come out of the program.

14 CHAIRPERSON WILLIAMS: That's if that
15 they can do 250--

16 COUNCIL MEMBER MENDEZ: [interposing]
17 Comfortably without an issue.

18 CHAIRPERSON WILLIAMS: Comfortably
19 without an issue, and I just spoke to staff so we can
20 bring back the smaller units. The small building
21 units back to the sponsors of the bill to see exactly
22 where we are. And while also understanding the need
23 to make sure tenants can remain, and have the
24 protections while repairs are being made. So I

2 understand both, and I'm going to take it up with the
3 sponsors of the bill.

4 COUNCIL MEMBER MENDEZ: Thank you, Mr.
5 Chair, and I want to thank the members of this panel.

6 CHAIRPERSON WILLIAMS: Thank you so much
7 for your testimony. Thank you all for being here.
8 For the record, we had testimony from the Community
9 Housing Improvement Program, Associated Builders and
10 Owners of Greater New York. With that, the hearing
11 is now closed. [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 October 4, 2014