

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

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March 2, 2015
Start: 10:17 a.m.
Recess: 1:30 p.m.

HELD AT: Council Chambers - City Hall

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)

Emma Wolfe
Director of Governmental Affairs
Mayor's Office

Elyzabeth Gaumer
Acting Assistant Commissioner
Research and Evaluation
New York City Department of Housing Preservation

Hally Chiu
Policy Analyst
Gale Brewer's Office
Manhattan Borough President

Ilana Maier
Met Council on Housing

Katie Goldstein
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Tenants and Neighbors

Robert Decherd [sp?]
Staff Attorney
Legal Aid Society

Barbara Graves-Poller
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MFY Legal Services

Anita Wu
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Caterina Genova
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New York Legal Assistance Group (NYLAG)

Tim Collins
Former Executive Director
City Rent Guidelines Board
Attorney Partner
Collins, Dobkin and Miller

Clara Perez-Joseph
Tenants United/Los Inquilinos Unidos
Fifth Avenue Committee

Anna Ramos
Tenants United/Los Inquilinos Unidos
Fifth Avenue Committee

Tom Waters
Community Service Society of New York

Jonathan Furlong
Senior Tenant Organizer
Association for Neighborhood & Housing Development
(NHD)

Leandra Requena,
Organizer
Make the Road New York

Marcella Martinez
Tenant Advocate and Organizer
Neighbors Helping Neighbors

Joseph Zapata
Council Member and Bronx Tenant

Alexandra Molle

Raphael Gomez Luna
Los Inquilinos Unidos, Tenants United

Louis Carrillo

Andreas Morris Morrow
Tenant Advocate
Fifth Avenue Committee, Brooklyn

2 [sound check, pause]

3 [gavel]

4 CHAIRPERSON WILLIAMS: Quiet please.

5 Good morning, and thank you everyone for coming. My
6 name is Council Member Jumaane Williams. I chair the
7 Committee on Housing and Buildings, and I'm joined
8 today by Council Member Mendez. Today, we're here to
9 address a very urgent matter that affects all
10 residents in the City of New York, the renewal of the
11 Rent laws. Having come tenant organizing myself, and
12 also being a rent regulated tenant, despite what you
13 may have read, this is very, very important to me.
14 We're discussing renewal of the Rent laws. In order
15 to renew rent regulation, the Council must pass a
16 resolution finding that because there is still a
17 housing shortage, there is continuing need for rent
18 regulation. So this resolution, although it's a
19 reso, it does have the impact of law. The Council
20 must also pass, and the mayor must sign a local law
21 updating the expiration date for rent regulation
22 within the City Administrative Code. Both of these
23 actions must happen before April 1st.

24 The preliminary finding of the Housing
25 Vacancy Survey for the City of New York revealed that

2 there's only a vacancy rate of 3.45%, which means we
3 are still facing a critical shortage of housing in
4 the city.

5 [background comments]

6 CHAIRPERSON WILLIAMS: Somebody probably
7 might need to step outside While the Mayor intends
8 to construct or preserve 360,000 units over the next
9 decade, we cannot build our way out of our severe
10 housing shortage. So we must collaborate on
11 focusing--we must collaborate to focus on preserving
12 existing units across the city. We can do this by
13 calling on the State to enact such measures as
14 appealing Vacancy Decontrol, eliminating the vacancy
15 bonus for owners, and ensuring that buildings that
16 lead programs like Section 8 and Mitchell-Lama remain
17 affordable for low-income tenants. To that end,
18 we'll be hearing one proposed one Local Law and nine
19 resolutions today. The proposed Local Law, Intro 685
20 declares that the city is still in housing emergency,
21 and extends the rent controls provisions of the
22 Administrative Code for an additional three years.

23 Remaining resolutions call upon the State
24 Legislator--Legislature to either enact or create
25 legislation that will renew rent regulations, allow

2 the city to expand rent regulations to housing
3 accommodations that cease or have ceased to be
4 Mitchell-Lamas or to receive Project-Based Section 8
5 rental assistance. Protect tenants with preferential
6 rent. Require that major capital improvements will
7 be charged as a temporary rent surcharge, and not a
8 permanent rent increase. Reform the individual
9 apartment improvements rent increase system.
10 Eliminate the vacancy bonus and Vacancy Decontrol.
11 Support the enactment of Rent Control Relief Act, and
12 finally it will appeal deregulation of rent regulated
13 apartments.

14 As chair of the committee, my goal is to
15 address our city's chronic housing shortage to ensure
16 that New York becomes a place for all to thrive. New
17 York State elected officials must meaningfully
18 address the affordable housing crisis with absolute
19 urgency before our city's rent regulations expire in
20 the spring. In order to ensure that nearly one
21 million New Yorkers do not see their rent go up or
22 their protections against arbitrary evictions lost,
23 Albany must enact stronger tenant protections. It is
24 my hope that Governor Cuomo, State Senate President
25 Skelos, Assembly Speaker Heastie, and all state

2 legislators work with City elected officials to
3 develop a plan that only complements the Mayor's
4 plan, but gives immediate relief to our poor and
5 working class citizens who need it the most.

6 It is my intent as the Housing chair to
7 do whatever we can to have this City Council be a
8 part of the conversation that is happening in the
9 State, and I think that we're doing all that we can
10 to do so. This is something that has personally been
11 an issue of mine for many, many years. And if we
12 really want to accomplish the Mayor's goals, this is-
13 -the Rent Regulation Program is one great way to
14 start that. And I for one believe if we don't
15 strengthen the rent rolls, then the tenants have
16 lost. Just extending them is not a success, and will
17 not be a win for us.

18 I'd like to thank my staff for the work
19 they did to summon this hearing including Nick Smith,
20 my Deputy Chief of Staff; Jen Wilcox; Shijuade
21 Kadree, Counsel to the Committee; Guillermo Patino
22 and Jose Conde, Policy Analysts to the Committee, and
23 Sarah Gustelum--Gastelum--I'm sorry--the committee's
24 Financial Analyst. With that said, we have
25 representatives who are getting ready to be our first

2 panel. I would like to remind everyone that would
3 like to testify today to please fill out a card with
4 the Sergeant-at-Arms.

5 And today we have--I'm very honored, the
6 woman in the myth, the legend Emma Wolfe, Director of
7 the Mayor's Office of Governmental Affairs and
8 Elyzabeth Gaumer, Acting Assistant Commissioner of
9 Research and Evaluation and Intergovernmental
10 Affairs, Department of HPD. If you can all--all who
11 will be planning to be testify. It's just the two of
12 you testifying. If you can raise your right hand?
13 Do you affirm to tell the truth, the whole truth, and
14 nothing but the truth in your testimony before this
15 committee, and to respond honestly to Council Member
16 questions? Thank you. You can begin your testimony
17 in whichever order you prefer.

18 [pause]

19 EMMA WOLFE: Thank you so much. Good
20 morning, everyone. Good morning Chairman Williams
21 and member of the Housings and Buildings Committee.
22 My name is Emma Wolfe. I'm the Director of
23 Governmental Affairs at the Mayor's Office. I am
24 joined by Elyzabeth Gaumer, the Acting Assistant
25 Commissioner of Research and Evaluation at the New

2 York City Department of Housing Preservation and
3 Development. I'd like to thank the committee very
4 much for welcoming me today. Given that HPD
5 Commission Bean had a scheduling conflict that
6 required her to be outside of New York City, and the
7 importance of this topic to both Mayor de Blasio and
8 the City Council, I wanted to personally come to
9 discuss what Mayor de Blasio has made the number one
10 focus of our administration this year, affordable
11 housing. There is a tremendous amount we can do and
12 are doing at the local level to take on this crisis.
13 And these are priorities we'll work on in close
14 partnership with the communities and with the City
15 Council. But some of the most consequential decisions
16 that will affect our families and our neighborhoods
17 will be made up in Albany, notably the fate of rent
18 regulations.

19 Consideration of critically important
20 state legislative items related to housing including
21 the future of rent regulation, subsidy programs and
22 others, will occur after the State Budget is adopted.
23 In accordance with this timeline, our specific
24 positions on those items will be introduced later in
25 the coming weeks. But last week in his testimony to

2 the Legislature, the Mayor made clear the importance
3 of renewing and strengthening rental protections that
4 expire this year. If they are not renewed and
5 strengthened, many thousands of apartments will
6 become unaffordable, and many thousands of people
7 will lose their homes. Consistent with where he has
8 stood on this issue for many years, the Mayor also
9 made clear his belief that we must end Vacancy
10 Decontrol. It is a major contributing factor to the
11 loss of rent protected units in the city, and creates
12 incentives for harassment and other predatory
13 practices that are tearing through our neighborhoods.
14 We will need to stand shoulder-to-shoulder with the
15 Council every step of the way. The cost of inaction
16 is too great, as more units exit rent regulation, and
17 more families are burdened by the scarcity of truly
18 affordable housing in New York City.

19 What's before us here today is an
20 important precursor to the discussion of the State
21 agenda. Thank you for the opportunity to appear
22 before you today to testify in support of Resolution
23 No. 597 and Introduction No. 685. These two
24 important measures represent local confirmation of
25 the continued housing emergency in New York City.

2 Simply put, they are what makes the extension of the
3 rent control and rent stabilization laws possible.
4 As you know, for the continuation of rent control,
5 the City Council must pass a resolution 30 to 60 days
6 after submission of findings of the Housing and
7 Vacancy Surveys. Similarly, for the continuation of
8 rent stabilization, the Council must enact
9 legislation before April 1st. HPD submitted selected
10 initial findings of the 2014 HVS to the Council on
11 February 9th, 2015 and our testimony today will
12 present initial findings of the 2014 New York City
13 Housing and Vacancy Survey. This survey of the
14 City's housing stock has been carried out every three
15 years since 1965. Its methodology has remained
16 consistent over time with only minor changes to
17 improve validity over time. It is conducted by the
18 United States Census Bureau at the request of the
19 City of New York. Interviews for the current survey
20 were conducted between February and June of 2014,
21 making it the most up-to-date representative data on
22 New York City currently available.

23 This survey is used to determine among
24 other things the rental vacancy rate; the supply of
25 housing; the condition and affordability;

2 demographics of tenants; and the need for continuing
3 rent regulation. Before turning to the Assistant
4 Commissioner, I'd to re-emphasize what an enormous
5 priority this is for the Mayor and the
6 Administration. I know this is a focus we all share.
7 Thank you very much.

8 ASSISTANT COMMISSIONER GAUMER: Thank you
9 very much and good morning. Today, we will share key
10 statistics on the current state of housing as well as
11 provide a more detailed portrait of the rent
12 stabilized stocks and tenants living in stabilized
13 units. As with past waves of the HVS, more detailed
14 analysis will be made available over the coming
15 months, and the Census Bureau plans to release the
16 micro data later this spring for analysis by the
17 range of policy makers, policy researchers, and
18 academics who utilize the HVS in their work. The
19 primary purpose of the HVS is to determine whether a
20 housing emergency continues to exist in New York
21 City, and merit the need for rent stabilization and
22 rent control.

23 The 2014 Housing and Vacancy Survey
24 reports the vacancy rate in rental apartments in New
25 York City to be 3.45%, well below the 5% net rental

2 vacancy rate threshold set forth in State and Local
3 Laws as the condition for determining that a housing
4 emergency continues to exist. Further examination of
5 the 3.45% vacancy rate for available rental units
6 shows that the vacancy rate for units with asking
7 rents of \$800 to \$999 was 3.73%. The rate for units
8 with an asking rent level of \$2,500 or more was
9 7.32%. It is important to note that the HVS
10 estimated the total number of residential units at
11 more than 3.4 million citywide, the largest housing
12 stock in the 49 years since the first survey was
13 conducted in 1965. The low vacancy rate despite the
14 record breaking housing stock numbers indicates that
15 although supply has continued to increase, it has
16 failed to keep pace with the continuing demand for
17 housing.

18 The HVS utilizes several measures of
19 housing quality, including self-reported deficiencies
20 and objective measures of physical conditions. In
21 2014, the HVS showed that the overall quality of
22 housing in New York City continues to be good.
23 However, there are areas where housing quality lags.
24 This map here shows the prevalence of rental units
25 where the current occupant reported three or more

2 maintenance deficiencies. The HVS data underscores
3 the need for continued need and commitment for
4 improving living conditions for all New Yorkers. The
5 HVS collects detailed information on household
6 incomes and rent levels that we used to assess the
7 rent burden of residents and the need for affordable
8 housing.

9 In 2014, the median contract rent was
10 \$1,200. The median gross rent, which accounts for
11 utility costs and is therefore a better measure of
12 housing costs, was \$1,325. A household would have to
13 earn \$53,000 in order to afford the typical New York
14 City apartment in 2014. However, the HVS shows that
15 the median household income was \$50,400, and it was
16 \$41,500 for renter occupied households.

17 In 2014, 56% of renter occupied
18 households were rent burdened, were paying more than
19 30% of monthly income toward housing costs. 33.5
20 were severely burdened, or paying more than half
21 their income toward housing. As one might expect,
22 this burden is not evenly distributed across all
23 income groups. When you look at the distribution of
24 renter occupied households by HUD Income Limits, this
25 is a way of categorizing household income that

2 adjusts for both household size, and it is the way
3 that HPD classifies eligibility for affordable
4 housing. We see that households in the lowest income
5 groups are disproportionately burdened. These are
6 some of the critical measures that help to share the
7 current state of housing in New York City. One of the
8 great strengths of the HVS is the detailed
9 information it collects on rent stabilized units, and
10 it is the only source of complete information on rent
11 stabilized tenants.

12 The HVS uses a variety of information,
13 including registration records from the New York
14 State Department of Homes and Community Renewal,
15 Information on the age and size of the building, and
16 tenant characteristics such as rent level and first
17 year of occupancy to identify if a unit is rent
18 stabilized or rent controlled. These estimates are
19 more accurate than other estimates that rely on only
20 one source of information.

21 In 2014, we further refined our
22 methodology for identifying rent stabilized units.
23 In order to provide a picture of current rent
24 stabilized stock and tenant population, I would like
25 to share some high level findings that compare

2 stabilized units to private and non-regulated units,
3 those frequently called market units. Please note
4 that this is only a subset of the entire housing
5 supply. It does not include public housing, rent
6 controlled units or other regulated units such as
7 Mitchell-Lama or units in HUD regulated buildings.

8 In 2014, the HVS estimates that 1,029,918
9 units or 47% of rental units were rent stabilized
10 citywide. This is statistically equivalent to the
11 number of units that were rent stabilized in 2011
12 using the same methodology that we used in 2014 to
13 identify rent stabilized units. In 2014, there are
14 an estimated 848,721 private non-regulated units, or
15 38.9% of rental units. Compared to private non-
16 regulated households, fewer rent stabilized
17 households are headed by White male and Hispanics,
18 and rent stabilized households are more likely to
19 have at least one senior living in the home.

20 In 2014, private non-regulated units
21 typical rented for more than rent stabilized units.
22 The median monthly gross rent for private non-
23 regulated units was \$1,625 compared to \$1,300 for
24 rent stabilized units. A higher proportion of rent
25 stabilized tenants were rent burdened and severely

2 rent burdened than market tenants. Fifty-six percent
3 of rent stabilized tenants were rent burdened, and
4 34% were severely burdened; were paying more than
5 half of their income toward housing costs. This is
6 compared to 50% and 28% respectively for private non-
7 regulated units. The median household income of rent
8 stabilized tenants is significantly lower than that
9 of private non-regulated renters. And more rent
10 stabilized tenants are considered low income as
11 defined by HUD Income Limits. Thank you for the
12 opportunity to testify today, and we're happy to
13 answer any questions.

14 CHAIRPERSON WILLIAMS: Thank you very
15 much. We've been joined by Council Members Koslowitz
16 and Johnson, and I want to give Council Member
17 Johnson the opportunity to give some opening remarks
18 since he has one of the bills that we're hearing
19 today.

20 COUNCIL MEMBER JOHNSON: Thank you, Chair
21 Williams and thank you all for being here this
22 morning on this incredibly important issue. And I
23 know, as you said, a top priority for this
24 Administration and a top priority for this Council.
25 So as you all just discussed, our city continues to

1 face a housing crisis. Vacancy rates are at roughly
2 3.5%. A housing shortage that constitutes a threat
3 to the citizens of New York City and creates a
4 special hardship to individuals and families of
5 limited resources. The City needs to declare a
6 public emergency, which will allow the rent
7 stabilization laws to be extended. Today, the
8 Council will use its authority through this hearing,
9 and eventually a vote to extend rent regulation
10 protection to 2.5 million residents against excessive
11 rent increases and evictions. This amendment of the
12 Administrative Code will extend rent stabilization
13 another three years beginning on April 1, 2015.

14
15 The challenge we face today is retaining
16 economic diversity in our many communities. Are we
17 going to be a city of luxury housing with part-time
18 residents from around the globe? Or, are we going to
19 be a city of neighborhoods and families, full-time
20 residents who send their children to our local
21 schools, beautify our blocks and contribute to the
22 fabric of New York? Too many New Yorkers are being
23 priced out of their communities. If we fail to renew
24 and strengthen rent regulation laws, we continue to

2 run the risk of creating larger disparities between
3 the very rich and everyone else.

4 This tri-annual extension falls within
5 months of the expiration of rent laws in Albany. We
6 need to embrace this opportunity to speak out for
7 real reform during those debates, and the need to
8 appeal vacancy deregulation, which I am so happy the
9 Mayor said in his budget address last week in Albany.
10 If we do not, even fewer New Yorkers will remain in
11 their homes in three years when we need to complete
12 the next Housing Vacancy Survey.

13 So, I want to thank my colleagues and the
14 Council. I want to thank Chair Williams for this
15 really important package of bills today. [coughs]
16 And I just want to reiterate that this is a fight we
17 all have to be in together, both folks in the
18 Administration who have taken the lead, but every
19 elected official in New York City. Not just members
20 of the City Council, but our senators and assembly
21 member. We have to not allow these families where
22 the last shred of the social safety net are these
23 Rent Regulation Laws to be used as political chits in
24 the dysfunction--in the dysfunctional Albany game
25 that happens every June.

2 And so, I stand committed. I know with
3 many of my colleagues, and all of you in the
4 Administration to go to Albany, to testify with
5 tenants and many New Yorkers who rely upon these
6 really important protections to ensure that they are
7 not just renewed. Because if they are just renewed,
8 it is a loss for the city. We are spiraling towards
9 a place where the amount of housing we're losing
10 because of the incentivizing the landlords have to
11 empty out apartments. We're at the precipice. So we
12 need to strengthen our laws, and I look forward to
13 working with you all and doing that. Thank you,
14 Chair Williams.

15 CHAIRPERSON WILLIAMS: Thank you. I want
16 to thank Ms. Gaumer and Ms. Wolfe for coming. I know
17 the Commissioner couldn't make it, but your presence
18 here today shows how important this issue is to the
19 Mayor and to the Administration. And I, too, want to
20 thank the Mayor for what he has said so far on this.
21 And, you know, the comments he also made along with
22 Speaker Heastie, also shows some promise. I have a
23 few questions. One, given the lofty and great goals
24 of preserving our buildings for so many years, do you

2 think that that will be able to be accomplished if
3 the rent laws are not renewed?

4 EMMA WOLFE: Without going into detail,
5 which we will go into in the coming weeks, the Mayor
6 and the members of the Administration have said
7 repeatedly and will continue to say and work
8 collaboratively with the Council that not only
9 extension, but the strengthening of rent regulations
10 is critical.

11 CHAIRPERSON WILLIAMS: Well, that was my
12 second question. Do you think you could achieve it
13 without strengthening the rent laws. So, that's
14 exciting to hear. Can you talk about, if any, steps
15 the Administration has taken so far to ensure that
16 the rent laws are not only renewed but strengthened?

17 EMMA WOLFE: The Commissioner, as you
18 know, you held the hearing and the Commissioner
19 testified herself a few weeks ago that she and her
20 team have been working hard in preparation for the
21 Albany session. The Mayor also testified last week
22 in Albany that it was critical to not only extend,
23 but strengthen rent regulations and again to repeal
24 Vacancy Decontrol. And we'll be working closely with
25

2 you and other stakeholders over the coming weeks and
3 months.

4 CHAIRPERSON WILLIAMS: I know that you in
5 accordance with this timeline specific positions will
6 be introduced in the coming weeks. But I do want to
7 ask a couple of questions based on the themes of what
8 we're trying to present here. So maybe if you're
9 able to, do you have-- What are your feelings on
10 repealing Vacancy Decontrol, having decontrol? What
11 are you feelings on dealing with preferential rent,
12 MCIs and individual apartment improvements?

13 EMMA WOLFE: So the Mayor did in addition
14 to speaking about the need to extent rent regulation,
15 he did specifically speak about the need to end
16 Vacancy Decontrol. We are also looking at it. We
17 have not announced our formal position on it, but we
18 are certainly looking at preferential rent,
19 individual apartments, IAI, MCI, and a host of other
20 issues that come into play with rent stabilization.
21 But he will be coming out with those proposals in the
22 coming weeks.

23 CHAIRPERSON WILLIAMS: So when--when
24 should we look forward to having that?

2 EMMA WOLFE: In one message. [sic] We're
3 coming in the coming weeks. This is a matter for
4 post-budget for Albany. As folks know, the Albany
5 budget is being considered right now, and then we'll
6 work on this with you.

7 CHAIRPERSON WILLIAMS: Sure, I mean I
8 hope--I know that we will be working together. It is
9 extremely important and smart. So we want to make
10 sure that we're all on the same message--

11 EMMA WOLFE: [interposing] Absolutely.

12 CHAIRPERSON WILLIAMS: --before we go
13 into June, and those are--those pieces are critical
14 as far as myself. And I think I speak for most of my
15 colleagues. It's critically important to strengthen
16 the rent laws particularly rent controlled--the
17 preferential rent status. And I hope that in keeping
18 with what we've heard so far, those will be issues
19 that the Administration wants to take up as well.

20 EMMA WOLFE: Thank you, yes.

21 CHAIRPERSON WILLIAMS: We've been joined
22 by Council Member Rosenthal and Espinal. I have some
23 questions, but I'll go to my colleagues. Right now,
24 we have Council Member Johnson, Rosenthal, and
25 Koslowitz.

2 COUNCIL MEMBER JOHNSON: So again, thank
3 you for being here, and I know, Emma, you just said
4 that there will be more information to be shared
5 after Albany adopts the budget. And I know the
6 Mayor, of course, testified in Albany last week on
7 the host of budget priorities that the City has, and
8 affordable housing was a pillar of his testimony.
9 And as I mentioned, the repeal of vacancy
10 deregulation was a key part of what he testified on.
11 The Chair just mentioned and you mentioned MCI
12 reform, IAI reform, vacancy deregulation. Out of the
13 list of options that exist to fight for, is there one
14 that you think is really more important than the
15 others as it relates to stemming the tide? Is there
16 one sort of crucial thing that is sort of the
17 centerpiece of what we must put our energy behind?
18 Because as you testified, and with the list of
19 resolutions and bills before us today, there's a host
20 of things to go after. What's the most important
21 one?

22 EMMA WOLFE: Again, I think we'll be
23 going into specifics more. Thank you for your
24 question, Councilman, and thank you for your
25 advocacy. And I do think we'll be working very

2 closely together over the coming weeks when it comes
3 to the Albany session. The Mayor in his testimony
4 singularly pointed out the need to repeal Vacancy
5 Decontrol. I do think that's significant, and that
6 is a major driver in the debate around this issue in
7 Albany. But, as you said, and as you pointed out,
8 there are a host of other issues, which we haven't
9 come out with yet. I certainly think the extension,
10 the fundamental extension of rent regulation is
11 vitally important. We can't afford to lose even more
12 apartments to deregulation, and on top of that
13 Vacancy Decontrol is certainly significant.

14 COUNCIL MEMBER JOHNSON: You know, I just
15 have a quick statement, and then I'm happy to turn it
16 back to the Chair. I was very excited and pleased by
17 the Mayor's State of the City where when he
18 identified different places in the city to focus us,
19 potential upzonings, and to try to create affordable
20 housing there. We know that there are displacement
21 issues, gentrification problems, a host of
22 complicating factors that happen in neighborhoods
23 where we try to achieve an upzoning or a future
24 development. I would just say there's a bill in the
25 Council, which says that not just in those

2 neighborhoods do we need legal services free for New
3 Yorkers, but New Yorkers who don't live in those
4 neighborhood, but are still in rapidly gentrifying
5 neighborhoods. Who re being pushed out. Who are
6 being unfairly preyed upon. It is, I think, my
7 belief and the Council's believe that it shouldn't
8 just be in these highlighted areas where the
9 Administration is looking for future affordable
10 housing development.

11 But we need protections across the city,
12 and I know it's expensive. But to stem the tide, and
13 to fight back against predatory landlords. We need
14 to ensure that whether you live on Jerome Avenue or
15 not, whether you live in East New York or not,
16 whether you live in East Harlem or not, there are
17 plenty of my constituents in Greenwich Village and in
18 Chelsea and in Hells Kitchen. Some of the most
19 expensive rapidly gentrifying real estate in the
20 city, who are being pushed out. And they do not have
21 the resources, and our community-based organizations
22 do not have the resources to pick up the slack for
23 all of the folks that are relying upon legal services
24 to represent them against unscrupulous landlords. So
25 I just want to pitch in that we need to more. And

2 during our own budge process, I hope that we can come
3 up with more monies not just in the identified areas,
4 but throughout the entire city. Thank you very
5 much.

6 CHAIRPERSON WILLIAMS: Thank you. We've
7 also been joined by Council Members Rodriguez and
8 Cornegy. Next, we have Council Member Rosenthal,
9 Koslowitz and Rodriguez. I haven't put a timer on.
10 I'm hoping that my colleagues will self-police, and I
11 want to thank Council Member Johnson for setting a
12 great standard.

13 COUNCIL MEMBER ROSENTHAL: That was so
14 subtle, Council Member Williams. But thank you so
15 much for holding this hearing, and to my colleagues,
16 this is a great set of bills that I'm really proud to
17 be a part of. And I want to thank the Administration
18 in advance for their support on these pieces of
19 legislation. In particular, I am going to make a
20 short statement, but I am proud to co-sponsor with
21 Chair Williams a preconsidered resolution calling on
22 New York Legislature to pass, and the Governor to
23 sign Assembly 398, which will provide rent controlled
24 tenants with relief from the high rent increases.
25 And I know this is something that the Mayor in the

2 past has talked very seriously about. So my question
3 at the end of my statement is going to be about the
4 support of the Mayor on this particular piece of
5 legislation.

6 You know, the rent increases for-- As
7 you know, the rent increases for rent stabilized
8 tenants are set by the Rent Guidelines Board, and it
9 tends to take into count various economic factors.
10 But, the Rent Guideline Board while it did recognize
11 lower rent increase for the one and two-year renewals
12 that helped a million families across the city the
13 Rent Control Departments, 27,000. They see the
14 regular automatic increase of 7.5%, and in addition
15 to that, they're paying the fuel pass-along charge,
16 which can be anywhere from \$25 to \$40 per room for
17 the apartment. So Assemblywoman Linda Rosenthal,
18 with whom I share a last name in a district, has
19 introduced Bill 398, which would create parity
20 between the systems by only allowing rents and rent
21 controlled apartments to be raised by the lesser of
22 7.5% annually. Or, an amount equal to the average of
23 the previous five Rent Guideline Board increases.

24 You know, I think this would--I think
25 this bill would be incredibly helpful to the 27,000

2 rent controlled tenants. Many of whom live on under
3 \$30,000 a year, and are not captured by our SCRIE
4 caps that could benefit them for the reasons that you
5 know having to do with the Department of Finance not
6 being able to reach out to them directly. So, I'm
7 wondering where this particular bill sits on your
8 roster. And whether or not this is something you
9 guys could be supportive of?

10 EMMA WOLFE: Thank you so much Council
11 Member. It's good to see you. As we stated, I'm not
12 sure if you were here at the outset.

13 FEMALE SPEAKER: [off mic]

14 EMMA WOLFE: Okay, excellent. Excellent.
15 we have not yet come out with a series of specific
16 positions on Albany legislation with regards to both
17 rent control and rent stabilization. Those are
18 things that we are going to be, and are looking at
19 and coming out with over the coming weeks since we
20 consider most of the issues affecting housing to be a
21 post-budget legislative item in Albany. The Mayor
22 testified last week strictly on the need to extend
23 and strengthen rent regulations, and specifically
24 spoke on repealing Vacancy Decontrol. But we're
25 happy to discuss this particular legislation with you

2 in the coming weeks. And I think the Assistant
3 Commissioner may have a few data points to add here.

4 COUNCIL MEMBER ROSENTHAL: Great. I
5 appreciate that. I'd appreciate you broadening the
6 bandwidth. Thank you. Thank you.

7 ASSISTANT COMMISSIONER GAUMER: Thank
8 you. I just wanted to add that, of course, rent
9 controlled units and tenants are a very critical part
10 of also with the Housing and Vacancy Survey that
11 collects data on and has tracked over a very long
12 timeframe. As you mentioned, the 2014 showed that
13 there are 27,000 remaining rent controlled units.
14 That's down from 38,000 in 2011. We know that this
15 is being phased out through a variety of means. But
16 this is a particularly critical part of the rent
17 regulated stock, and that these are especially
18 vulnerable residents. Largely seniors, of course.

19 [pause]

20 CHAIRPERSON WILLIAMS: Thank you. Just
21 to follow up on some of the questions. As you
22 mentioned, Commissioner, according to the survey, we
23 lost a lot of units from--since 2011. Do you--do you
24 have any thoughts on how we lost almost 11,000 units
25 from rent control.

2 ASSISTANT COMMISSIONER GAUMER: So rent
3 control, as you know, is defined as a rent regulated
4 unit where the current occupant has been in residency
5 since July 1st, 1974. That by definition means that
6 these are largely older adults who have aged in
7 place. As those original lessees and occupants give
8 up those rent controlled units either through moving
9 out, moving to assisted living, by passing away,
10 those units become rent stabilized. And subject to
11 the same regulations and laws that other rent
12 stabilized units are held to.

13 CHAIRPERSON WILLIAMS: So all those units
14 became rent destabilized.

15 ASSISTANT COMMISSIONER GAUMER: To the
16 extent that the HVS is able to estimate only net
17 changes. We can't actually track what happens from
18 one unit in one last panel to the next. We just know
19 that the overall changes and the decline in rent
20 controlled units.

21 CHAIRPERSON WILLIAMS: Can we get a
22 breakdown in each district of how many rent
23 controlled units are available. [off mic] Or are
24 still existing.

2 ASSISTANT COMMISSIONER GAUMER: Sure, as
3 with all data points, the Housing and Vacancy Survey,
4 which was produced by the Census Bureau has very
5 strict requirements for geography that we can
6 estimate things like that. We, unfortunately, are
7 not able to do a council district for any measure.
8 However, we can use sub-borough area. To the extent
9 that we can create a reliable estimate for you at a
10 lower level than citywide, we're happy to do that as
11 a follow up.

12 CHAIRPERSON WILLIAMS: And to that extent
13 we say thank you and hope to see that when you can
14 get it to us. Council Member Koslowitz and then
15 Rodriguez.

16 COUNCIL MEMBER KOSLOWITZ: Thank you, Mr.
17 Chair. I don't have a question. I just have a
18 statement of how important rent stabilization is. I
19 come from a district that is considered a high-end
20 district, except that it's really not true. I get
21 calls in my office about people not being able to pay
22 their rent. I myself moved into my present apartment
23 paying \$1,000 for a four--a two-bedroom apartment.
24 In these many years, my rent has gone up to now--it's
25 cheap considering what's going on--to over \$1,700.

2 So it's almost like \$750 in the course of--since 2000
3 and--2000. When I first moved to Forest Hills, my
4 first apartment was \$168, and then I moved because I
5 had children and I moved to a two-bedroom apartment
6 where my rent was \$176, the increase was so low. And
7 everyday I see people struggling, especially the
8 seniors, and I have a high concentration of seniors
9 in my district. They struggle. They go to the
10 senior center to have their lunch because for dinner
11 they have bread and butter. That is their dinner.

12 So there's no question in my mind that
13 this has to happen. We have apartments going up in
14 my building. Not in my building, in my neighborhood
15 for \$1 million. Two apartment houses just went up in
16 my community where the--it starts at--you buy it for
17 \$1 million, and the cost to live there every month is
18 very high. So, there's no question in my mind how
19 important this is for the people living in the City
20 of New York to have the rent stabilization even more
21 than-- I mean I'm for the rent control, but people
22 complain about rent control because every year they
23 get a 7-1/2% increase. And they complain because now
24 a lot of them are paying more than if they were rent
25 stabilized. So a lot of people come to me and say,

2 Can you do anything about it? So this to me for all
3 New Yorkers is a very, very important law to happen.
4 And if it doesn't happen, we'll have a lot of
5 homeless people, more than we have now walking the
6 streets of New York. Thank you.

7 ASSISTANT COMMISSIONER GAUMER: Thank
8 you.

9 CHAIRPERSON WILLIAMS: I don't know if
10 you want to add anything, but okay. We have Council
11 Member Rodriguez, and new on the list Council Members
12 Espinal, Cornegy, Mendez and Levine.

13 COUNCIL MEMBER RODRIGUEZ: Thank you
14 Chairman Williams, and I would like to first
15 congratulate and thank the Administration for the
16 great effort that they do everyday to move our city
17 to another level when it comes to a new way of how we
18 can build a higher percentage of affordable housing.
19 And also thank you to the advocate group because many
20 of you have just to embrace this effort to fight for
21 affordable housing for your whole life. And you have
22 done it for decades. So for those of us that are
23 younger, there are many of you who have spent--you
24 are older than us. You have left a legacy that we
25 have to follow.

2 No doubt that rent regulation, you know,
3 is critical. Because without rent regulation, many
4 communities will be changed, and New York City will
5 not be the great city that we have built up to now.
6 And my district in Northern Manhattan have a higher
7 number of regulated apartments in the whole State of
8 New York. And Community Board 12 is the community
9 board that has the highest regulated rent apartment
10 units in the whole state. And from 2000-2010, we
11 lost 14,000 tenants who leave our district because
12 they could not pay the rent.

13 Here this morning I was speaking to
14 someone, Pedro, who live on 20 Sherman Street. He
15 will not be able to sign his lease because his lease
16 is not regulated any more. We're talking about a
17 one-bedroom apartment at 20 Sherman Avenue that the
18 rent right now is \$2,500. That's impossible for a
19 community where the average income is \$34,000. I've
20 been meeting with some developer persons, the four
21 years that I have before, many developers they were
22 interested to build in my district at 80/20. And as
23 I told them, if I be--if I will be the council member
24 in an upper-middle class community, I will support a
25 80/20. But in the working-class community, signing

2 for the 80/20 as the only interest of the private
3 sector to build, it will mean that the 80% market
4 will not be working-class or middle-class who have
5 built those districts.

6 So for me I'm very excited to see how
7 this Administration for the first time has looked at
8 Northern Manhattan as one of their priorities. In
9 the previous administration in the 165 affordable
10 housing units, Northern Manhattan only received 250
11 apartments, and only 2,500 were preserved. So we pay
12 a price for that policy of the previous
13 administration, and it is now in this current
14 administration that I see the interest that the
15 administration has shown that they are really
16 committed. But I know that the interest of the
17 administration is not only in my district. The
18 administration was working with leaders across the
19 city. And for me, this is very important. This is
20 unique. This is different, and I would like to thank
21 Mayor de Blasio, and the whole team for what you're
22 doing. And as you know, at the Council you will have
23 a team because we want to be part of that effort to
24 build more affordable housing for working-class and
25 middle-class. Thank you.

2 CHAIRPERSON WILLIAMS: Thank you and
3 thank you all my colleagues who have actually been
4 pretty good keeping everything under, for the most
5 part, five or four minutes. Council Member Espinal,
6 Cornegy, Mendez and Levine.

7 COUNCIL MEMBER ESPINAL: Thank you.
8 Thank you Chairman Williams. Good morning, good
9 afternoon. I want to talk about my district. I
10 think I'm in a very bad situation in that half my
11 district is being displaced on the Bushwick side.
12 And in East New York I have a lot of small building
13 owners, and two-family, two, three-family homeowners
14 who faced--who kind of suffered through the
15 foreclosure housing crisis. And I also want to
16 applaud the Mayor on his bold affordable housing plan
17 that will begin in East New York very soon. So, I'm
18 excited about that.

19 And, you know, the packages of bills and
20 resolutions we have here, I stand behind--I stand
21 behind my colleagues on this. But, you know, my
22 concern is that, you know, hefty tax assessments, DEP
23 water rates raising, my lower and middle working
24 class families are suffering because of those
25 situations. And often times forced to raise the rent

2 on tenants. And so, you know, I want to know is
3 there a balance that we can reach, and how is the
4 Administration working on that on helping these small
5 building owners, small homeowners who are trying to
6 do the right and provide affordable rent. But they
7 can't because their hands are being forced by these
8 tax assessments, and these DEP water bills.

9 EMMA WOLFE: Thank you so much
10 Councilman. We're looking forward very much working
11 with you in your districts as well. I think we
12 should hopefully convene offline to talk about
13 specific issues that you're raising about your
14 district. And those are certainly some concerns that
15 this Administration shares. Specifically, on the
16 issue of displacement, the Mayor and the
17 Administration put forth an Anti-Displacement
18 Proposal in his State of the City several weeks ago.
19 This does not directly relate to any specific
20 constituent, but it does relate areas and re-zonings.
21 And full legal services for tenants in need. And
22 again, ask Albany to assist the city in terms of
23 legal services when he was in Albany last week.
24 Regarding the specific concerns that you were talking

2 about, I think it would be terrific to meet and
3 discuss them further.

4 COUNCIL MEMBER ESPINAL: Yeah, thank you,
5 guys. Yeah, it's a big issue, and I think there have
6 been various stories that have been out there of
7 homeowners in my district who are paying more in
8 property taxes than other parts of the city, than
9 more affluent neighborhoods. So I think it's
10 something we should look at. I think it's a great
11 way of how we can do battle with this affordable
12 housing crisis across the city.

13 CHAIRPERSON WILLIAMS: Thank you. We've
14 also been joined by Council Members Reynoso and
15 Ulrich. Next, we have Council Member Cornegy
16 followed by Council Members Mendez and Levine.

17 COUNCIL MEMBER CORNEGY: Good morning.
18 So while--and thank you, Chair Williams. While I
19 share the sentiments of all of my colleagues about
20 making sure that we can maintain affordability, I
21 serve in a district that's primarily brownstone
22 homes. And I wanted to know whether or not HPD is
23 considering any programs that would assist homeowners
24 in, you know, three and under to help make their
25 apartments affordable?

2 ASSISTANT COMMISSIONER GAUMER: Thank
3 you. Let me say that my role is as the Assistant
4 Commissioner for Research and Evaluation. So I am
5 not always familiar with all of our programs that are
6 under development, but I can say that the HVS while
7 we focused many of our remarks here today on rent
8 stabilization, and the current affordability crisis
9 and overall supply of housing citywide, that the HVS
10 does collect data. And is designed to be a
11 representative survey of all units, housing units
12 across the city. And that, of course, includes units
13 in smaller properties, owner-occupied buildings, one
14 to fours. All of those kinds of properties. So
15 while we didn't include those findings here today, as
16 I did mention in my testimony, over the coming months
17 we'll be rolling out additional analyses. And
18 certainly, we recognize the importance of smaller
19 buildings, and owner-occupied and particular one to
20 four unit brownstones. Thank you.

21 COUNCIL MEMBER CORNEGY:

22 ASSISTANT COMMISSIONER GAUMER: So my
23 hope is that we'll have some dialogue, you know,
24 later on about districts like mine. I guess there
25 are one or two others like mine who find ourselves,

2 you know, with a housing stock that could be added to
3 the Mayor's aggressive plan if, you know, if we kind
4 of look at it intelligently. So those owners want to
5 be responsible landlords. They want to be able to
6 provide more affordability but currently, like I
7 mentioned, they aren't any programs that really are
8 incentives for them to do that.

9 [pause]

10 CHAIRPERSON WILLIAMS: Thank you. Next,
11 we have Council Member Mendez followed by Council
12 Member Levine.

13 COUNCIL MEMBER MENDEZ: Thank you, Mr.
14 Chair and good morning. So I have a few questions
15 here. The testimony says that there is currently
16 1,029,918 rent stabilized units as of 2014 in New
17 York City. Is that correct?

18 ASSISTANT COMMISSIONER GAUMER: That is
19 correct.

20 COUNCIL MEMBER MENDEZ: Do you know what
21 the number of rent stabilized units were just prior
22 to Vacancy Decontrol?

23 ASSISTANT COMMISSIONER GAUMER: Are you
24 talking about prior to the start of Vacancy Decontrol
25 prior to 1983 or--

2 COUNCIL MEMBER JOHNSON: '93.

3 ASSISTANT COMMISSIONER GAUMER: Yes. So

4 I don't have those numbers with me, but the HVS has

5 been conducted tri-annually since 1965, and that

6 includes estimates for the total rent stabilized

7 stock in each of those waves. We did conduct the HVS

8 in 1991, and I'm happy to provide those numbers to

9 you as a follow up.

10 COUNCIL MEMBER MENDEZ: Okay. As I'm

11 looking at this--this, they say in 2014, the number

12 of non-regulated units is less than the number of

13 rent stabilized units. I kind of find it hard to

14 believe because in my district and in the rest of New

15 York City, we've been bleeding rent stabilized units,

16 you know, coming out of the program. And we've just

17 been building more luxury units. So, these numbers

18 and this data was done in the same manner as they've

19 always been done for the Housing and Vacancy Survey?

20 ASSISTANT COMMISSIONER GAUMER: So, yes,

21 as I stated we--every tri-annual survey produce an

22 estimate of the total rent stabilized stock as well

23 as several other classifications of units throughout

24 the city. So the numbers I gave on private non-

25 regulated are only one additional source or type of

2 stock in addition to rent stabilized. One important
3 thing to note is that the Housing and Vacancy Survey
4 is not designed to track units or specific units over
5 time, as I mentioned before with regard to rent
6 controlled units. Nor is able to actually measure in
7 any reliable way the direct loss of stock or--

8 COUNCIL MEMBER MENDEZ: I'm sorry. Can
9 you repeat that? I didn't hear that--Nor is it
10 designed to--

11 ASSISTANT COMMISSIONER GAUMER: Nor is it
12 designed to specifically enumerate units that exit.
13 For example, rent stabilization or are added to. So
14 in other words, the 2014 is a current point in time
15 estimate of the number or rent stabilized units.
16 That number is statistically the same meaning that
17 it's within the margin of error from 2011 estimates,
18 but beneath those numbers we know that there have
19 been exits from the rent stabilized stock through
20 deregulation as well as expiring tax benefits. As
21 well as additions to the stock through other programs
22 including affordable housing development. And
23 through tax benefit programs such as J51 and 421A.
24 So in other words, the 2014 number of rent stabilized

2 units shows that we added about the same number of
3 units that were lost since 2011.

4 COUNCIL MEMBER MENDEZ: So there's no way
5 to determine, right, if there is an increase in rent
6 stabilized units. If it was because a Mitchell-Lama
7 opted out of the program and decided to have rent
8 stabilization. There is no way of tracking that?
9 But that could be the case?

10 ASSISTANT COMMISSIONER GAUMER: That is
11 correct. There is no way to track that, and yes that
12 is one possible source of--of those changes to the
13 stock.

14 COUNCIL MEMBER MENDEZ: Okay. And
15 there's no way of tracking or any kind of data that
16 would show us how many of these units regulated or
17 not are undergoing co-op conversion? Is that
18 correct?

19 ASSISTANT COMMISSIONER GAUMER: That's
20 correct. The HVS collects many details about the
21 current stock as well as population but, of course,
22 it cannot collect every piece of information. And so
23 the HVS is not a data source for those kinds of
24 things.

2 COUNCIL MEMBER MENDEZ: Okay. In the
3 testimony it also says-- Give me one second. Fifty-
4 six percent of the rent occupied households are rent
5 burdened, and 33.5% are severely rent burdened. With
6 56%--30%--they're paying more than 30% of the monthly
7 income. So what is severely rent burdened mean?

8 ASSISTANT COMMISSIONER GAUMER: So these
9 are important measurements that we not only use here
10 in New York City but, in fact, are used across the
11 country for housing research. So the rent burden, as
12 you said, is an indicator of a household paying more
13 than 30% of their monthly income toward housing
14 costs. Severe rent burdened is an indicator where a
15 household is paying more than half, more than 50%--

16 COUNCIL MEMBER MENDEZ: [interposing]
17 More than 50%?

18 ASSISTANT COMMISSIONER GAUMER: --of
19 their income toward housing costs.

20 COUNCIL MEMBER MENDEZ: So a rent burden
21 would be 31 to 49%?

22 ASSISTANT COMMISSIONER GAUMER: A rent
23 burden is considered anything above 30%. And, in
24 fact, the severe rent burdened is a subset of rent
25 burdened.

2 COUNCIL MEMBER MENDEZ: Okay, so this 33%
3 is part of the 56%?

4 ASSISTANT COMMISSIONER GAUMER: Correct.

5 COUNCIL MEMBER MENDEZ: And to be part of
6 the 33%, you're paying more than 50%?

7 ASSISTANT COMMISSIONER GAUMER: That is
8 right.

9 COUNCIL MEMBER MENDEZ: Okay, and now we
10 don't even have that--another subset where you're
11 severely, severely, severely rent burden, and
12 probably overcrowded?

13 ASSISTANT COMMISSIONER GAUMER: We are
14 open to novel measurements to try to capture housing
15 burden, but we do not currently have a severely,
16 severely, severely burdened measure.

17 COUNCIL MEMBER MENDEZ: Okay. All right,
18 I think we know a lot of them. They live out in our
19 districts. Thank you very much.

20 ASSISTANT COMMISSIONER GAUMER: Thank
21 you.

22 CHAIRPERSON WILLIAMS: Thank you, and
23 last on the list for questioning, and then I will
24 have some of my own if my colleagues don't have
25 additional. Council Member Levine.

2 COUNCIL MEMBER LEVINE: Thank you, Chair
3 Williams, and thank you all for being here. It's
4 wonderful to see you. I think it's been 20 years
5 since we've had a Mayor and a mayoral team who is
6 actually going to bat for tenants in Albany the way
7 you all are. Thank you for taking such a strong
8 stand in favor of not only renewal, but strengthening
9 of the rent laws. It makes all the difference in the
10 world to have your voice in this, and it really has
11 heartened tenants. And I know that you know that a
12 mere renewal of the rent law actually would not be a
13 victory for tenants. Because it would lock into
14 place the myriad of weaknesses of the existing law,
15 most pernicious among them being Vacancy Decontrol.
16 Which has created this perverse incentive for
17 landlords to push tenants out so they can double or
18 triple the rents. So landlords are also resorting to
19 all sorts of tactics, harassment and pressure to get
20 tenants out. And they're hauling tenants into
21 Housing Court where they know most tenants won't have
22 lawyers hoping that that will intimidate tenants out.

23 And I'm wondering whether that angle of
24 it, the terrible situation in Housing Court could be
25 part of our agenda in Albany this year. Are there

2 State funding streams that we can pursue that might
3 help us get to the goal that I and I think many of my
4 colleagues share. That every tenant in Housing
5 Court, or at least low-income Housing Court tenants,
6 tenants--low-income tenants in Housing Court would
7 have the benefit of an attorney in taking on
8 landlords.

9 EMMA WOLFE: Thank you very much Council
10 Member and I think the Mayor noted this in his State
11 of the City, but again, thank you for all of your
12 advocacy for legal services. And the Council's
13 historic role in getting tenants legal services who
14 are in need. The Mayor said in his testimony in
15 Albany, to your question, that if the State is unable
16 to enforce rent laws and protect tenants, we ask that
17 it allocate funds so the tenants can help themselves
18 by providing legal services to victims of landlord
19 neglect or harassment. That's almost a full-out
20 quote from the--from the testimony. So that is
21 certainly a common goal that we share, and we would
22 love to work with you on this goal in the coming
23 weeks and months.

24 COUNCIL MEMBER LEVINE: Beautiful. The
25 idea that I've heard proposed is that the State

2 support for homeless services, which costs so much.
3 We're spending \$30,000 more a year per person in the
4 homeless shelters. But some of that could be
5 diverted to prevent homelessness, by preventing
6 eviction. It's so cost-effective. You spend two or
7 three thousand on a lawyer. You prevent that
8 eviction. It's the single biggest cause of family
9 homelessness. I wonder whether you've thought about
10 using that stream of money, the hundreds of millions
11 I believe the State is putting towards homeless
12 shelters towards prevention in this way?

13 EMMA WOLFE: Thank you. It's certainly
14 something we should follow up on with you. The
15 Mayor also testified when he was in Albany
16 specifically about homelessness, and the existing
17 funding streams that we're already concerned about.
18 So we should follow up on that. Thank you.

19 COUNCIL MEMBER LEVINE: I want to shift
20 gears in the remaining moments to the question of
21 Mitchell-Lama. Which there are many Mitchell-Lama
22 buildings I think in all of our districts, certainly
23 in mine, and there's a quirk in the law that
24 buildings that were built before 1974 when they
25 expire out of the program generally they go under--

2 and this is true for Section 8 buildings as well--
3 generally, they'll go under some form of rent
4 stabilization. But for buildings that were built
5 after 1974, I guess that rule doesn't hold. And I'm
6 wondering if that could be part of our agenda in
7 pushing for tenants in Albany this year. Fixing that
8 weird quirk.

9 [pause]

10 EMMA WOLFE: I think it's a great
11 question, and Council Member we will be getting back
12 to you as we formulate our positions for the Albany
13 legislative session outside of extending and
14 strengthening rent control and appealing Vacancy
15 Decontrol.

16 COUNCIL MEMBER LEVINE: As long as you're
17 noting suggestions, I just have one real small one
18 related to--

19 EMMA WOLFE: [interposing] Please,
20 please. Yes.

21 COUNCIL MEMBER LEVINE: --Mitchell-Lama.

22 EMMA WOLFE: Yes.

23 COUNCIL MEMBER LEVINE: My understanding
24 is that in those cases where Mitchell-Lama buildings
25 and Section 8 buildings expire out, even they were

2 built before 1974, while the current tenants might be
3 grandfathered in, if you will, in fact, any vacancy
4 at all becomes a market rate unit. Then we have to
5 go through the charade of investing in some sort of
6 expensive innovation to make the formula work. And
7 the buildings in my district, that's resulted in a
8 dramatic loss of affordable units. And I'm wondering
9 whether that could also be on the agenda. We want to
10 keep these units not just for the families who are in
11 them. That's important, but for affordability for
12 New Yorkers, whoever they are, going forward.

13 ASSISTANT COMMISSIONER GAUMER: So I
14 mentioned earlier that the HVS collects data on the
15 entire housing inventory. And, of course, Mitchell-
16 Lama is a very large and very important part of our
17 stock. The HVS does collect information on Mitchell-
18 Lamas, which we're happy to work with you and try to
19 actually build out some information about Mitchell-
20 Lamas to see what we're able to actually cull from
21 our data that we collect. Thank you.

22 COUNCIL MEMBER LEVINE: Thank you very
23 much.

24 CHAIRPERSON WILLIAMS: Thank you. Just I
25 think it was Council Member Mendez who was asking

2 some questions, but according to our members between
3 1994 and 2013, we also brought 133 units in the
4 regulation. And I think Council Member Reynoso also
5 has some questions.

6 COUNCIL MEMBER REYNOSO: Yes. Good
7 morning. I think so. Yes, it's still a good
8 morning. I'm grateful I can be here. Thank you,
9 Chair. I just wanted to speak to a couple of
10 concerns that I currently have. I just want to say I
11 want to--I agree with Council Member Levine and other
12 members of the City Council that say that there is no
13 Mayor and no administration that has really gone to
14 bat for tenants the way you guys have, and I
15 extremely appreciate it--appreciate it. And, I think
16 overall it's going to allow for HPD and our local
17 organizations to have to work a lot less harder to
18 take care of tenants when rent regulation or the rent
19 laws move closer to where we want them to be. No
20 matter how bleak some folks think, or how tough they
21 think that might be, it's extremely necessary.

22 I just want to talk about Williamsburg
23 and Bushwick as a special case. And like I want to
24 add Bed-Stuy to that conversation and that I
25 represent it right now with my brother Robert

2 Cornegy, who is sitting next to me, he does-- But
3 the level of harassment and negligence is second to
4 none in those three communities. To none in those
5 three communities, and so much so that our tenants
6 are not only facing obstacles that include these
7 terrible landlords that are destroying apartments
8 while tenants are living in them. So that's a
9 different type of conversation. There are 10-foot or
10 8-foot holes in living rooms, completely destroyed
11 bathrooms while tenants are cooking in their
12 kitchens. They come out when the landlords leave,
13 and they come and see these holes. And they're
14 dealing with that. But on top of that, they're also
15 dealing with City agencies or members of the City
16 agencies that are complicit in allowing a lot of
17 these landlords to do this, to make this happen.

18 So I want to say that because this didn't
19 happen in all of the City of New York. It happened
20 in Williamsburg, Bushwick, and Bed-Stuy. That the
21 rent laws are incapable of taking care of our tenants
22 because of how ridiculous the real estate market is
23 there. How ridiculous it is. Rent laws alone are
24 not going to do what we need it to do, even though
25 they would help us or want you guys to advocate.

2 But, from the City's perspective, in locations like
3 Williams and Bushwick and Bed-Stuy, where the real
4 estate has a different type of-- It's a different
5 type of hold on that community. What resources or
6 what work is the City doing to compensate, or to
7 counteract not only terrible landlords, but also
8 agency members that might think they can make a
9 profit from not taking care of our tenants?

10 EMMA WOLFE: Hi, Councilman. Thank you
11 so much. I'm not sure if you were here during this
12 part of the hearing. Just to reiterate, in the
13 Mayor's State of the City, as you all know, the Mayor
14 proposed legal services in places that were rezoning
15 areas. As you've noted, these areas that you're
16 pointed out are places that have either already been
17 rezoned or there is just a lot of construction
18 happening. So we also went to Albany last week, and
19 reiterated our request that if Albany is unable to
20 enforce current rent laws--and enforcement means
21 harassment, negligence, repairs, et cetera--then we
22 would ask for funding to provide legal services to
23 every tenant in need. We would love to get your
24 support for that request to Albany. Specifically on
25 other HPD ,and other agency initiatives, I'll turn to

2 my colleague the Assistant Commissioner, but it may
3 also be something that we should follow up with you
4 off line.

5 COUNCIL MEMBER REYNOSO: Yeah, I would--I
6 would love that. I just want to say that I know that
7 we're going to have that--I also wanted to say that
8 the rezoning has already happened in Williamsburg--

9 EMMA WOLFE: [interposing] I know that.

10 COUNCIL MEMBER REYNOSO: --and it's
11 happening quickly in Bushwick. By the time we get
12 our ducks in order, we won't have any more tenants to
13 take care of. So I just wanted to be very mindful
14 that we're not going to be rezoned in Bushwick--in
15 Williamsburg any more. But the harassment is
16 intense.

17 EMMA WOLFE: Thank you.

18 ASSISTANT COMMISSIONER GAUMER: I just
19 wanted to add that although my role obviously is--
20 here as research and evaluation that this is
21 obviously an issue that HPD is very concerned about.
22 And certainly relates to not only rent laws, but more
23 broadly multiple dwelling and just habitability for
24 all New Yorkers. As you know, HPD has recently
25 joined a task force with Department of Buildings,

2 Department of--DOI, HCR, Tenant Protection Unit,
3 among others. And that we're really very actively
4 trying to pursue and correct that kind of abuse.

5 COUNCIL MEMBER REYNOSO: I would just
6 want to note that there is a housing task force in
7 our community that she--that you just spoke to--it's
8 really, really helpful in making sure that we're
9 coordinated and are working together. This is the
10 first time in our community that we actually have all
11 the agencies sitting at one table. And we're going
12 apartment and house and house-by-house. But just the
13 resources that those not-for-profits they're doing
14 extra work. Work that--they're fighting landlords
15 that just don't care. You know, the laws that you
16 can get away with in Williamsburg. So I just want to
17 say that I would really like to see some of those
18 initiatives regarding housing tailed to communities
19 that are still struggling like Williamsburg and
20 Bushwick. And that they will not be neglected
21 because they're not locations where zonings are going
22 to happen. So thank you.

23 ASSISTANT COMMISSIONER GAUMER: Thank
24 you.

2 CHAIRPERSON WILLIAMS: Thank you.

3 Council Member Mendez has an additional question.

4 COUNCIL MEMBER MENDEZ: Thank you. I
5 think I know the answer to this, but the Housing and
6 Vacancy Survey doesn't take into consideration also
7 any units that may have been deregulated as a result
8 of MCIs, is that correct?

9 ASSISTANT COMMISSIONER GAUMER: That is
10 correct. Again, what the HVS focuses on is the most
11 accurate incomplete point-in-time estimate, which
12 over time we're able to look at net changes in the
13 stock. But not losses or gains from specific sources
14 including major capital improvements.

15 COUNCIL MEMBER MENDEZ: So maybe this is
16 something the Administration can go to--can go to bat
17 for is limiting MCIs within, you know, a percentage
18 that can be done within a certain amount of years.
19 Because what's happening is he's talking about the
20 harassment, but what I'm seeing in my district is
21 renovation, harassment by renovation. Where, you
22 know, you come in--you come home from work, there's
23 dust, a broken ceiling, everything caves in. And by
24 the time HPD gets there, they fix everything. Then
25 they give you MCIs-- I don't know what's the

2 appropriate word. Up your lease. I don't know how
3 to say it, and then you're de-regulated. So I think
4 we need to figure out how we control that. And with
5 tenants, you know, they're living through a horrible
6 time. And then, by the time HPD gets there, they
7 can't even document all the violations before they
8 cured them. So that becomes the other problem so--

9 EMMA WOLFE: Thank you, Council Member.
10 MCI and IAI, both the Major Capital Improvements and
11 the Individual Apartment Improvements are both two
12 things that we're also looking at for the Albany
13 Legislative Agenda. I'm happy to talk to you over
14 the coming days and weeks.

15 COUNCIL MEMBER MENDEZ: Thank you very
16 much.

17 CHAIRPERSON WILLIAMS: Thank you, and I
18 would just like to make sure people remember this is--
19 - We talked a lot about the price point of the rent,
20 which is, of course, critically important. But also
21 the protections that come with rent regulation, which
22 is also a reason why we should be fighting for it.
23 So that you have automatic release renewals. So you
24 have the ability to fight for a rent repair without
25 fear of getting eviction. Whether or not they

2 actually do it is something else, but at least you
3 don't have that fear. And so, those protections I
4 think are just as important as the price point, and
5 people at all price points I believe deserve to have
6 those protections. So sometimes that's lost in the
7 argument, and I think it is something that we have to
8 keep pressure on. So people just don't think about
9 the rent, which is important, but the protections
10 that these tenants have.

11 Having been a housing organizer when
12 tenants would come to me, I would ask them if they're
13 in a private home or leasing an apartment. And I
14 would tell them they had the right to try to get
15 these repairs, but they also may not get a lease
16 renewal. That's something I have to tell somebody,
17 and that's a terrible decision for them to have to
18 make even though it's illegal to connect the two.
19 But the landlord might when there's no protection
20 there for them. So I have a couple more questions.
21 First, the number of rent--rent stabilized units in
22 HVS increased by just over 9,000. Can you explain
23 what the increase is based on? I was kind of
24 surprised to see that.

2 ASSISTANT COMMISSIONER GAUMER: Sure. Of
3 course. So as a reminder, the Housing and Vacancy
4 Survey is a survey, which means that all of our
5 numbers that we present in percentages and
6 corresponding analysis should be thought of as
7 estimates. Meaning that they're subject to sampling
8 and non-sampling error. So while the numbers report
9 an increase of some 9,000 units, that's, in fact,
10 within the margin of error. And is, in fact,
11 statistically the same as the number of rent
12 stabilized units in 2011 when we used the same
13 methodology for calculating rent stabilized units.
14 We made some minor modifications for the 2014 HVS for
15 how we identified rent stabilized units to try to
16 improve our accuracy and validity of those numbers.
17 But essentially, 2011 and 2014 we saw about the same
18 number of rent stabilized units citywide.

19 CHAIRPERSON WILLIAMS: So to the second
20 part, I did read somewhere that it might have been
21 more accuracy in reporting. Do you think it's more
22 of more accuracy in reporting, or just a blip? Like
23 you're seeing statistically an insignificant amount?

24 ASSISTANT COMMISSIONER GAUMER: So we
25 feel confident that the methodology that we used in

2 2014 is the best and most accurate number that we
3 can. As I mentioned briefly in my testimony, we work
4 very closely with the Census Bureau to develop our
5 methodology that we'll employ in a given wave. For
6 2014, that means that we're combining information
7 from HCR registrations; information about a building
8 in which a building is located; and various tenant
9 characteristics. For 2014, our estimates are
10 slightly higher than they have been in previous waves
11 due to some of those methodological changes. But
12 again, that's we believe the most accurate, and the
13 most valid estimate that we can produce.

14 CHAIRPERSON WILLIAMS: So, if you have an
15 even better accurate way of doing it in the next HVS,
16 we may see another increase?

17 ASSISTANT COMMISSIONER GAUMER: Again,
18 not an increase. Statistically the same.

19 CHAIRPERSON WILLIAMS: Okay. Do you know
20 how many can be attributed to newly constructed
21 buildings?

22 ASSISTANT COMMISSIONER GAUMER: Sure.

23 So, unfortunately, this is one of those things where
24 we-- Obviously, one source of rent stabilized units
25 is new construction. Additions to the housing supply

2 in general are obviously the result of both new
3 construction as well as alterations or conversions.
4 The focus of the HVS and particularly from the Census
5 Bureau's perspective is to come up with the best
6 current estimates without focusing so much on sources
7 and changes between waves. So we can't really do
8 that in a reliable way. But, of course, we certainly
9 know that there has been a tremendous amount of new
10 construction over the last few years.

11 CHAIRPERSON WILLIAMS: So do you have any
12 ideas independent of HVS how many of those new, or
13 might be new units--all of the 9,000 units were of
14 new construction?

15 ASSISTANT COMMISSIONER GAUMER:
16 Unfortunately, the way that it takes multiple sources
17 of information to be combined, very, very carefully
18 combined to be able to understand. Whether a unit is
19 subject to rent stabilization or not means that the
20 three years of contracting that we do with the Census
21 Bureau. And a great many people contribute to doing
22 this survey and coming up with these estimates.
23 There is just no corresponding way that we can
24 replicate that even with the administrative data here
25 within the city.

2 CHAIRPERSON WILLIAMS: All right, do you
3 know how many units were built in the last three
4 years?

5 ASSISTANT COMMISSIONER GAUMER: The
6 Department of Buildings does issue new building
7 permits, and the Department of City Planning does
8 track that and reports that back. So, that's not
9 available through the HVS per se, but yes we do know
10 how many have been constructed.

11 CHAIRPERSON WILLIAMS: Do you have the
12 number today?

13 ASSISTANT COMMISSIONER GAUMER: I do not,
14 but I'm happy to follow up with--

15 CHAIRPERSON WILLIAMS: [interposing]
16 Okay.

17 ASSISTANT COMMISSIONER GAUMER: --permit-
18 -building permit data for you.

19 CHAIRPERSON WILLIAMS: Okay, I'd like to
20 get that number. [off mic] You probably know the
21 answer, but we'd also like to know how many rent
22 stabilizing units were created based on tax benefits?
23 And I guess you probably don't have that today, but
24 it would be great to have that. And if we could have

2 any of that stuff by breakdown of council district,
3 it would be helpful. Which--go ahead.

4 [background comments]

5 ASSISTANT COMMISSIONER GAUMER: Thank
6 you. That's fine.

7 CHAIRPERSON WILLIAMS: And so, I think
8 one of my last things has to do with 422-A [sic]
9 where we're talking about tax benefits, and it's
10 going to be discussed at the same time in the State.
11 I wanted to know if the Administration had any
12 movement on what the exact day they're going to be
13 asking for 422. Have they made any changes asking
14 for them to be completely wiped out with the new
15 program. Do you have any information?

16 EMMA WOLFE: Thanks again, Councilman.
17 No new news since Commissioner Bean testified here a
18 couple of weeks ago. It certainly is something we're
19 looking at. We know a lot of folks are taking it
20 very, very seriously, and we'll be coming out with
21 the proposal in the coming weeks.

22 CHAIRPERSON WILLIAMS: So, you'll be
23 coming out with the proposal when?

24 EMMA WOLFE: In the coming weeks.

2 CHAIRPERSON WILLIAMS: In the coming
3 weeks?

4 EMMA WOLFE: The coming weeks.

5 CHAIRPERSON WILLIAMS: That could be two
6 weeks or five weeks.

7 EMMA WOLFE: It is a flexible phrase.

8 CHAIRPERSON WILLIAMS: Yes, it is.

9 [laughs] So, we will more than likely be having
10 another hearing 422-A in the coming weeks, and
11 hopefully we'll have that so we can have it on the
12 record. The Resos that are here today are critically
13 important. So I just wanted to make that clear,
14 including the ones that were brought up by Council
15 Member Levine, Mitchell-Lama and Section 8. And my
16 hope is that we will be aligned in the coming weeks
17 when you come out with your statements of what your
18 position is because I think that's going to be the
19 best way to strengthen it. We more likely will have
20 another hearing on rent regulation as well. We'll
21 ask on the record what your positions are. So this
22 is the first of-- Well, I guess will at least be two
23 or three hearings dealing with rent regulation.

24 I know we have to do this together, and I
25 hope it's that we are really going to be aligned on

2 this. But again, those are critical points, and not
3 ones that we think we're going to bend on. At least,
4 I'm not going to bend on--to these resolutions, and I
5 think the Committee will stand behind me on that.
6 So, thank you very much for coming out, and sharing
7 some time with us and discussions these issues. I
8 look forward to working with you as we go to the
9 State. Thank you very much.

10 [pause]

11 CHAIRPERSON WILLIAMS: We're going to
12 take about a 10-minute recess, and then we'll come
13 back. And we have one person from an elected
14 official's office, Hally Chiu, Policy Analyst from
15 Gale Brewer, who will be testifying next.

16 [pause]

17 SERGEANT-A-ARMS: Ladies and gentlemen,
18 please quiet down, and find a seat. We're beginning--
19 --we're starting the meeting up again. Once again, if
20 everybody can just find their seats. We're starting
21 the hearing.

22 [background conversation]

23 [gavel]

24

25

2 CHAIRPERSON WILLIAMS: So we have Hally
3 Chiu. Hally is from Gale Brewer's Office. After her
4 we have on deck Ilana Maier and Kay Goldstein.

5 [pause]

6 CHAIRPERSON WILLIAMS: Can you 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 member questions?

11 HALLY CHIU: I do.

12 CHAIRPERSON WILLIAMS: Thank you. Okay,
13 you can begin.

14 HALLY CHIU: Okay. So, the Borough
15 President has another engagement so I'm just going to
16 read from her prepared testimony.

17 CHAIRPERSON WILLIAMS: Can you pull the
18 mic close to you.

19 HALLY CHIU: This is better? Okay. So
20 I'm just going to read her prepared testimony. Good
21 morning. My name is Gale A. Brewer, and I am the
22 Manhattan Borough President. Thank you to Chair
23 Williams and the member of the Housing and Buildings
24 Committee for the opportunity to testify today on the
25 issue of the ongoing housing emergency in New York

2 City, and seeking renewal of the New York State Rent
3 Stabilization Law. On February 24, 2015, the U.S.
4 Census Bureau released early findings from the latest
5 Housing and Vacancy Survey that is expected to be
6 published in June of this year. According to these
7 preliminary statistics, an estimated 3.45% of New
8 York City residential units are classified as vacant
9 in 2014 after adjusting for inflation. While this is
10 a slight increase from the 3.12% end figure from
11 2011, it is still well below the 5% vacancy threshold
12 generally deemed necessary to declare a housing
13 emergency requiring ongoing rent regulation.

14 Additionally, preliminary numbers show
15 that the median rent in New York City has increased
16 3.4% in the three years between the two latest
17 housing and vacancy reports. Rising to a median rent
18 of \$1,200 a month for rent regulated units. Yet, the
19 median household income in the city only increased
20 1.1% between 2010 and 2013. So, clearly rents have
21 risen at a much higher rate than the increase in
22 household income. Most importantly statistics show
23 that in light of the stagnant household income and
24 steadily rising rents, at least half of the New York
25 City households spend more than 30% of their annual

2 income on housing expenses. We need to extend rent
3 stabilization for New York City as part of a larger
4 conversation of rent regulation reform taking place
5 this spring in Albany. To ensure more equitable and
6 affordable housing, the larger conversation must
7 adjust the following issues:

8 First, is eliminate vacancy deregulation.
9 The both eye [sic] on the back of every rent
10 regulation tenant is vacancy high rate rent
11 deregulation. Virtually, every vacancy that occurs in
12 a regulated apartment can result in deregulation.
13 The temptation that is dangled before owners in the
14 event of a vacancy creates s predatory/prey
15 relationship between landlords and tenants.
16 Currently, deregulation occurs when an owner can
17 during a vacancy impose rent increases legitimately
18 or otherwise that bring the rent to a \$2,500 level.
19 These increases are taken through a combination of
20 statutory vacancy bonuses usually at 20% plus
21 whatever individual apartment increases are imposed
22 and then the rent increases. While it is important
23 that the vacancy bonus be repealed and individual
24 apartment increase systems be reformed, eliminating
25 the reward for deregulation is imperative.

2 Based on past experience, accommodations
3 [sic] may be made by way of simply increasing the
4 deregulation threshold. This will merely set the
5 goal post further out, and owners will still continue
6 to impose increases through vacancies or capital
7 improvements to reach the deregulation threshold.

8 The second is eliminate vacancy increase.
9 Each time a regulated unit becomes vacant, landlords
10 are entitled to increase the base rent by up to 20%
11 of the amount that the previous tenant was paying.
12 Eliminating this large bonus that is imposed with
13 every vacancy would slow down one of the driving
14 forces behind rapidly rising rents.

15 Mr. Walter M. of West Harlem understand
16 first hand the impact that vacancy deregulation has
17 on the ability to afford a home. In May of 2014,
18 Walter, a Spanish-Speaking constituent sought help
19 from my office better understand why his landlord was
20 charging \$2,050 per month for a one-bedroom apartment
21 with him and his wife when the previous tenant paid
22 \$670 per month under Senior Citizen's Rent Increase
23 Exemption on the same unit with a legal rent of only
24 \$875. After my staff inquired at the New York State
25 Homes and Community Renewal, we found out that due to

2 a two-year vacancy and individual unit capital
3 improvements on the unit, it was legally deregulated
4 to the then deregulated to about--to then
5 deregulation threshold of about \$2,000 a month. As a
6 result, Walter needed to pay \$6,000 in back rent from
7 the time he was disputing his rent, and only then did
8 he understand the impact of deregulation on him and
9 his family.

10 Third is to reform the IAI procedure.
11 Individual apartment increases or IAIs are the second
12 step by which most rents rise to the level of
13 deregulation. When an apartment is vacant, owners
14 impose an increase representing one-fortieth or one-
15 sixtieth of the actual cost of so-called improvements
16 completed during the vacancy. As advocates from the
17 housing legal service sector can attest, there is a
18 lack of oversight on the state level that allows
19 landlords to remain unaccountable for their actual
20 apartment capital improvements. There have been
21 instances where landlords claimed IAIs with
22 fictitious improvements, and in other cases work was
23 performed, but associated costs were exaggerated.

24 On the other hand, I recognize the
25 importance of IAIs for improving housing conditions

2 where rent regulated tenants. But problems arise
3 when owners impose increases for the performance of
4 long needed repairs and maintenance without
5 accountability. This is why it is imperative that
6 IAIs be granted only with an oversight procedure that
7 requires an owner to apply for the increase, and
8 require New York State Homes and Community Renewal to
9 grant approval only after an inspection to verify
10 that the claimed work was performed. And also,
11 elimination of the four-year challenge period that
12 currently bars disputes over IAI rent increases once
13 the period expires.

14 And fourth is MCI reform. Major capital
15 improvements or MCI increases are incurred when an
16 owner performs building wide capital improvement to
17 the building, and then is permitted to pass the cost
18 of such work onto the tenants. MCIs currently become
19 part of the tenant's permanent base rent. The amount
20 supposedly spent by the owner is never amortized.
21 Serial compounded MCIs are another means by which
22 rents have been rapidly rising out of control. They
23 must be separated from the base rent calculation and
24 terminate when the cost of the improvement is
25 recouped.

2 And finally, rent control reform. I am
3 advocating for an end to the 7.5% increases and fuel
4 pass-alongs that have been imposed on rent control
5 tenancies over the past 20 years. Rent control
6 increases should be calculated based on average rent
7 guidelines for rent increase. Thank you for the
8 opportunity to testify today. I look forward to
9 working with members of this committee, and other
10 advocates in working in Albany to see the
11 authorization and reform of the State's rent
12 regulated--rent stabilization law. Thank you.

13 CHAIRPERSON WILLIAMS: Thank you very
14 much for your testimony, and we've also been joined
15 by Council Member Torres. Does anyone have any
16 questions? Thank you very much.

17 HALLY CHIU: Thank you.

18 CHAIRPERSON WILLIAMS: Next up we have
19 Ilana Maier from the Met Council and Katie Goldstein
20 from Tenants and Neighbors. They will be followed by
21 Robert Decherd, Legal Aid Society; Barbara Graves-
22 Poller, MFY. We're going to go with Ms. Genova
23 because I messed up the first name. I apologize.
24 From NYLAG, and Anita Wu from Manhattan Legal
25 Services. So if they can get ready to come up, that

2 would be great. For the record, we have testimony
3 from the Urban Justice Center and CHIP. Can you
4 please raise your right hand? Do you affirm to tell
5 the truth, the whole truth, and nothing but the truth
6 in your testimony before this committee, and to
7 respond honestly to council member questions? Thank
8 you very much. You can proceed with your testimony.

9 [pause]

10 ILANA MAIER: Hi. Thank you for
11 providing me with this opportunity to speak to speak
12 about rent regulation in New York City. My name is
13 Ilana Maier, and I'm here on behalf of Met Council
14 on Housing, a non-profit organization dedicated to
15 fighting for stronger rent laws, and providing on-
16 the-ground support for New York City's most
17 vulnerable tenants. We believe that all New Yorkers
18 have a right to safe, stable, and affordable housing.
19 [sneezes] Excuse me. As the City and State both move
20 to renew New York City's rent laws and act to address
21 the worsening housing crisis, we are encouraged by
22 the attention and support we have received from our
23 elected official. Thank you to Speaker Heastie for
24 supporting New York tenants. We are heartened that
25 you've have made the strengthening the rent laws your

2 top priority. And, thank you Mayor de Blasio for not
3 only working to create more affordable housing, but
4 also for vocally calling for an appeal to
5 deregulation.

6 Additionally, we are grateful for the
7 support of City Council members who are working
8 diligently to strengthen the city's rent laws and
9 support tenants including the sponsors of the 2015--
10 of the city's 2015 rent law renewal, Council Member
11 Johnson, Council Member Williams and Council Member
12 Rosenthal. New York City is facing a housing crisis
13 that will continue to worsen unless we significantly
14 reform and strengthen our rent laws. Each year the
15 City becomes less affordable as families are pushed
16 out of their homes and communities to make room for
17 more luxury buildings. The rent laws directly affect
18 over one million homes and two and a half million New
19 Yorkers. The number of families now living in our
20 homeless shelters has reached unacceptable levels.
21 There are more than 60,000 people in shelters each
22 night including over 25,000 children. It is no
23 secret that the main cause of homelessness in New
24 York City is the lack of affordable housing. Find
25 affordable housing is almost impossible.

2 The 2015 Housing and Vacancy Survey
3 revealed an extremely low overall vacancy rate of
4 3.45%. The vacancy rate for un-stabilized units is
5 even lower at only 2.29%. And the vacancy rate for
6 low-end apartments, which rent for \$800 or less a
7 month is a meager 1.8%. Not only are families unable
8 to find affordable housing, but our current rent laws
9 encourage landlords to harass and evict families.
10 The most problematic part of our rent laws and the
11 underlying reason for most of the housing crisis is
12 vacancy deregulation. Currently, an apartment can be
13 removed from the rent regulations when the monthly
14 rent exceeds \$2,500 and the unit is vacant. Once a
15 unit is vacant, it is exceedingly easy for landlords
16 to raise the rent through various loopholes creating
17 a significant financial incentive for landlords to
18 push families out of their homes. This can occur in
19 a variety of ways, which regularly depend on the
20 systemic negligence and harassment. Increasingly,
21 this harassment is coming in dangerous forms such as
22 the use of building wide construction as
23 intimidation. Vacancy deregulation has disastrous
24 consequences for both tenants and communities, and we

2 cannot accept any rent laws that stop short of full
3 repeal.

4 One of the most common ways that
5 landlords increase an apartment's value is through
6 the abuse of major capital improvements, also know as
7 MCIs. Individual Apartment Improvements such as
8 IAIs, and preferential rents. Under our current laws
9 when landlords use MCIs to make improvements to the
10 entire building or IAIs to alter an individual unit,
11 the rent is permanently increased. This increase
12 remains in effect at the tenant's expense even after
13 the upgrade has been entirely paid off, creating an
14 incentive for landlords to make unnecessary
15 improvements in order to raise the rent and get
16 closer to the \$2,500 deregulation threshold.
17 Preferential rents, the practice of offering a tenant
18 a lower rent than legally allowed is often
19 misunderstood as a generous favor to tenants. When
20 in reality that rent is only offered if the legal
21 rent is higher than the market value. However, when
22 a tenant renews their lease, landlords can increase
23 the rent to the legal amount without warning.
24 Creating unforeseen and astronomical rent increases

2 and contributing to rapid displacement particularly
3 in gentrified neighborhoods.

4 We strongly urge the City Council to push
5 their colleagues in Albany to not only renew the rent
6 laws, but to strengthen them by repealing vacancy
7 deregulation, and imposing meaningful reforms. The
8 rent laws affect not only the millions living in rent
9 regulated housing. They affect our communities, and
10 they set the tone of the kind of city we want to live
11 in. If we don't strengthen the rent laws, New York
12 will quickly become a city for millionaires, and we
13 will lose the ingenuity and creativity that make it
14 an amazing place to live. We have the opportunity
15 this year to reverse the housing crisis, and create
16 affordable communities. We cannot build or subsidize
17 our way out of the housing crisis. We must create
18 rent laws that encourage people to build their lives
19 and raise their families in this city. Right now, we
20 have laws that encourage landlords to push families
21 into homeless shelters, and force people to choose
22 between homelessness and leaving the city everyday.
23 We believe that we can and must do better, and it
24 begins with strengthening the rent laws. Thank you.

2 KATIE GOLDSTEIN: Chair you, Chair
3 Williams and member of the Housing and Buildings
4 Committee for the opportunity to testify today. My
5 name is Katie Goldstein and I'm the Executive
6 Director of Tenants and Neighbors. I know Chair
7 Williams, you're very familiar with the work of
8 Tenants and Neighbors. But we're a citywide tenant
9 rights and tenant advocacy organization. And our
10 main priority in terms of trying to curb the
11 affordable housing crisis in New York City is to
12 strengthen the rent laws, and most particularly to
13 repeat deregulation. And also, close loopholes that
14 make the rent regulated housing stock unaffordable.
15 So I'm going--I want to echo the comments that my
16 colleagues have made. And also just add a few more
17 pieces about why this is so important, and why this
18 is such an important year for tenants in New York
19 City.

20 New York City is in with no question the
21 worst affordable housing crisis that it has ever
22 seen, and this is-- And rent regulation itself is the
23 largest source of affordable housing for low and
24 moderate income tenants. So that encompasses what
25 has been said earlier there are over a million units

2 and 2.5 million tenants who live in rent regulation
3 housing. And many of the units we've lost hundreds
4 of thousands of rent regulated apartments in the past
5 20 years. And the data that was produced by the
6 Housing and Vacancy Survey only echoes this problem.
7 The median rent for rent stabilized apartment rose
8 from \$1,073 in 2011 to \$1,200 in 2014, and then also
9 rent burdens also rose. So these--this data shows
10 the incredible need to strengthen the rent laws. And
11 we know that the rent laws are broken. So the most--
12 the biggest game changer that we could see this year
13 is the appeal of deregulation, which would mean that
14 we wouldn't lose one more unit of rent regulation
15 housing. Which would be incredibly important for the
16 future of diverse neighborhoods in New York City.

17 I also want to add that strengthening the
18 rent laws is not just about preserving the--the
19 preservation of affordable housing, which, of course,
20 is incredibly important. But it's also an anti-
21 harassment strategy. We're really in a tenant
22 harassment crisis in New York City, and it's not just
23 about bad actors that harass tenants. But also the
24 fact that they are weak laws. They're incentives to
25 try to get tenants out in order to get increased

2 amount of rent under different units. And so that's
3 why it's so vitally important for us to be working as
4 closely as we have been with the Council. And we so
5 appreciate you all being such strong advocates with
6 Council Members and with the Administration to renew
7 and strengthen the rent laws this June.

8 CHAIRPERSON WILLIAMS: Thank you very
9 much. How have your efforts been in Albany?

10 KATIE GOLDSTEIN: We are bringing up
11 hundreds of tenants tomorrow to lobby their
12 legislators in Albany.

13 CHAIRPERSON WILLIAMS: Okay. Do you have
14 a question?

15 COUNCIL MEMBER ULRICH: [off mic] I do
16 have a question. [on mic] Have you seen--have you
17 seen because obviously I know--I knew Katie when we
18 were organizing a few buildings in the Bronx. So
19 I've dealt with you on the ground.

20 KATIE GOLDSTEIN: Uh-huh.

21 COUNCIL MEMBER ULRICH: Have you seen an
22 increase in the number of cases of harassment?
23 Because it feels to me like market pressures have
24 been more so than we've seen in the past decade.
25 They have been spiraling out of control. Has that

2 translated into a demonstrable increase in harassment
3 on the ground or--

4 KATIE GOLDSTEIN: Yes, I think that is
5 the case. I think that particularly in the Outer
6 Boroughs in areas where the rents were not close to
7 the decontrolled threshold, there has been increased
8 pressure, displacement pressure on tenants in
9 different neighborhoods.

10 COUNCIL MEMBER ULRICH: Okay, and I just
11 want to echo a point that you made. You know, one
12 problem that concerns me the predatory equity. I
13 mean in many ways predatory equity exists because of
14 the loopholes in the rent laws.

15 KATIE GOLDSTEIN: [interposing] Yes.

16 COUNCIL MEMBER ULRICH: It survives. You
17 know, without those loopholes, there would be no
18 incentive to displace tenants in their apartments.

19 KATIE GOLDSTEIN: Right.

20 COUNCIL MEMBER ULRICH: That wouldn't be.
21 [sic].

22 KATIE GOLDSTEIN: The speculative
23 targeting that is the practice of the predatory
24 equity investors are--would really be curbed

2 significantly if the rent laws were to be
3 strengthened.

4 COUNCIL MEMBER ULRICH: Okay. All right.
5 Okay, that's the extent of my questioning. Thank you
6 for the work you do. Thank you.

7 KATIE GOLDSTEIN: Thank you. Thank you
8 for your testimony, and thank you for all the great
9 work that you're doing, and hopefully come July we'll
10 have strong rent laws dealing with a lot of the
11 issues that you mentioned here.

12 KATIE GOLDSTEIN: Thank you.

13 ILANA MEIER: Thank you.

14 CHAIRPERSON WILLIAMS: Next, we have
15 Robert Decherd [sp?]; Barbara Graves-Poller,
16 Espinoza, Anita Wu, and they'll be followed by Tim
17 Collins, Clara Perez-Joseph, Ora Majen [Sp?], I
18 believe, Anna Reynolds, and Murat Ersoy. I'm going
19 to also ask the Sergeant to put three minutes on the
20 clock for everyone's testimony.

21 [pause, background comments]

22 CHAIRPERSON WILLIAMS: Can everyone
23 please raise the right hand? Do you affirm to tell
24 the truth, the whole truth, and nothing but the truth

2 in your testimony before this committee, and to
3 respond honestly to council member questions?

4 MALE SPEAKER: I do.

5 FEMALE SPEAKER: I do.

6 CHAIRPERSON WILLIAMS: You can begin your
7 testimony at your leisure.

8 ROBERT DECHERD: Good afternoon. Thank
9 you, Chair for the opportunity to testify, and thank
10 you to members of this committee. I'm Robert
11 Decherd. I'm a staff attorney with Legal Aid Society
12 and in our role as attorneys who represents tenants
13 in Housing Court we see everyday the need for strong
14 rent laws, the need to strengthen the rent laws. And
15 the abuses that tenants are subject to as a result of
16 weak rent laws. And also as a result of the
17 harassment that landlords heap upon them whether it's
18 in the form of frivolous lawsuits. Whether it's in
19 the form of failure or refusal to make repairs in
20 their apartment.

21 As we go into the season where the rent
22 laws are up for renewal in Albany, I think it is very
23 important that this body is showing that there are a
24 lot of issues that exist, and that this body is
25 showing that they-- As the body that represents most

2 of the people who are living in rent stabilized
3 apartments. It's very important that a strong
4 statement is made to Albany about what is important
5 and the protections that tenants down in New York
6 City needs. We're also very encouraged by the
7 Mayor's statement that the Vacancy Decontrol needs to
8 be repealed. That's what is driving a lot of the
9 harassment and allows a lot of the speculative
10 practices to continue.

11 We are really at a critical time here
12 because to allow the rent laws to continue as they
13 are, to just be renewed and not strengthened, will
14 just allow a slow death of the rent protections that
15 tenants enjoy. And it's not just the rents, the
16 protection of having stable rent. It's also the
17 protection of having a lease, as a council member
18 mentioned earlier, to be able to get a renewal lease.
19 To be able to assert your rights against a landlord
20 that does not do repairs or meet their obligations.
21 It's a critical time also because we're seeing rents
22 rapidly increasing. We're also seeing tenant's rent
23 burdens increasing, and we're seeing incomes not
24 keeping pace with other costs that tenants are
25 seeing. So, I'm going to keep my comments brief. I

2 thank this body for its work. We need all the help
3 that we can get as tenants and tenant advocates as we
4 go and fight for stronger rent laws in Albany. And
5 we thank you for your leadership.

6 CHAIRPERSON WILLIAMS: Thank you.

7 BARBARA GRAVES-POLLER: Good afternoon.

8 My name is Barbara Graves-Poller, and I'm Supervising
9 Attorney at MFY Legal Services. MFY envisions a
10 society in which no one is denied justice because he
11 or she cannot afford an attorney in Housing Court or
12 otherwise. We represent clients in a wide range of
13 economic justice, disability, and aging rights,
14 family law, and immigration issues. I just want to
15 limit my brief comments today to some ways in which
16 the unique populations that we serve are uniquely
17 harmed by the threat rent stabilization. Some in
18 this state may consider our rent stabilization laws
19 to be a mere matter of convenience. But advocates
20 who represent tenants in New York City's rent
21 controlled and rent stabilized apartments know that
22 this is simply not true. In fact, the regulations at
23 issue prevent thousands of families with young
24 children, people with disabilities, and other working
25 poor individuals from being homeless. Examples from

2 our client population paint a picture of just how
3 important rent stabilization as well as the right to
4 succession to units really is in the lives of
5 vulnerable New Yorkers.

6 Last year, MFY handled 4,220 active
7 housing cases. Approximately 70% of our kinship
8 caregivers, those are grandparents and other
9 relatives who are raising children and their extended
10 families, they live in rent regulated housing as do
11 90% of the clients served by our Mental Health Law
12 Project. Likewise, roughly 90% of the clients in our
13 Lower Manhattan Justice Project are low-income
14 immigrants who in almost every case reside in rent
15 regulated housing. And a majority of our clients in
16 our Seniors Project, many of whom are in their 90s,
17 are also living in rent regulation housing. Seventy-
18 five percent of our clients subsist on public
19 benefits alone. Of the remaining 25%, about half of
20 those are employed, but are still eligible for some
21 form of public benefits because of their low incomes.

22 I want to give you experiences of two
23 clients. One is Ms. B. She has--she's a 58-year-old
24 woman who lives in a Washington Heights apartment
25 that rents for about \$900 a month. For many years

2 Ms. B worked as retail cashier. And in addition to
3 having serious health issues of her own, she was the
4 primary caregiver for her elderly father with whom
5 she lived. She applied for SSI because of her
6 disability and when her father passed away, Ms. B
7 continued living in the apartment, but was served
8 with eviction papers by a landlord who challenged her
9 right to succession guaranteed under the Rent
10 Stabilization Laws. For three years, we represented
11 her and her legal battle to remain in the apartment,
12 and secure the disability benefits to which she was
13 entitled. Without Rent Stabilization Laws to protect
14 her tenancy as a successor to the apartment, she
15 would have faced homelessness.

16 The second client is Mr. A. He is an 87-
17 year-old man who has lived in his rent stabilized
18 apartment for almost half a century. He worked as a
19 caterer before retirement, and now volunteers in a
20 soup kitchen. Mr. A lives on his Social Security
21 benefits of \$1,340 a month. So his rent of \$1,029
22 per month consumes 74% of his benefit income. [bell]
23 So these are the kinds of individuals who are being
24 protected by the Rent Stabilization Laws that we
25 have, and these laws need to be not only extended but

2 strengthened. And we thank you for your leadership
3 on these issues.

4 ANITA WU: My name Anita Wu and I'm staff
5 attorney at Manhattan Legal Services. I'm speaking
6 on behalf of Legal Services NYC, the National
7 Organization of Legal Services Workers and the Local
8 2320 of the UAW. Thank you for the opportunity to
9 give testimony today before the Committee on Housing
10 and Buildings. Legal Services NYC is one of the
11 largest providers of legal services for the poor, and
12 annually provides legal assistance to thousands of
13 low-income clients throughout the city. Offices
14 regularly advocate on behalf of low-income tenants
15 who benefit from the protections afforded by rent
16 regulation laws. The cases we handle on a daily
17 basis illustrates how the renewal of rent regulation
18 laws is critical to the preservation of affordable
19 housing. Recently, a 93-year-old monolingual
20 Chinese-speaking woman, who has lived in her rent
21 stabilized Chinatown apartment for over 35 years came
22 to me for help with her non-payment issue. She had
23 lived with her husband, who recently passed away,
24 with a frozen SCRIE amount--SCRIE rent amount of
25 \$520. Her household income now is from SSI for \$770,

2 but her rent is \$790. Because she is a rent
3 regulated tenant, we will be able to help her lower
4 her monthly rent through the SCRIE Program. However,
5 even with rent stabilization, she will barely be able
6 to afford her rent.

7 Another case involving a non-English
8 speaking single mother of three children who was sued
9 in a non-payment case. She also lives in a rent
10 stabilized apartment. When examining the rent
11 breakdown, we realized that landlord was increasing
12 her rent higher than what was legally allowed under
13 the Rent Regulatory Guidelines. But due to the
14 protections under rent stabilization, she will--she
15 was ultimately awarded a rent credit by the courts.

16 These clients and thousands of others
17 like them are able to survive in New York City solely
18 thanks to rent regulation. We strongly support the
19 renewal of New York City's Rent Regulation laws. Rent
20 regulation is a vital tool for the preservation of
21 affordable housing for the city's most vulnerable
22 low-income residents. Thank you.

23 CATERINA GENOVA: Maybe you could pass
24 that over to me. Thank you, Chair Williams, council
25 members, staff. Good morning or good afternoon,

2 rather and thank you for the opportunity to speak
3 about rent control and rent stabilization in New York
4 City today. And I'm going to try to keep my remarks
5 brief. It is safe to say that-- I'm sorry. My name
6 is Caterina Genova and I'm a staff attorney at the
7 New York Legal Assistance Group, NYLAG, a non-profit
8 law office that's dedicated to providing free legal
9 services in civil law matters to a vast community of
10 low-income New Yorkers. And we're testifying here
11 today in support of rent control and rent
12 stabilization legislation.

13 It is safe to say that New York City is a
14 city of renters. Approximately two-thirds of New
15 York City's three million households rent. Yet, New
16 York City is facing a serve crisis of affordable
17 housing for low and middle-income families. Between
18 the years 2000 and 2012 median apartment rents in New
19 York City rose by 75% while incomes remained
20 stagnant. When half of the city's renters are rent
21 burdened, spending 30% or more of the household
22 income on rent, and almost 600,000 of New York City's
23 renters are severely rent burdened paying 50% or more
24 of their income for rent. City shelters are housing
25 a staggering number of individuals and families

2 costing taxpayers as much as \$3,200 per family per
3 month.

4 As of March, 2014, there were over 50,000
5 adults in the shelter system and 20,000 children.

6 There is currently an inadequate amount of affordable
7 housing available. NYLAG strongly supports

8 preservation of affordable housing. As the Council

9 is undoubtedly aware, the New York City's--New York

10 City is losing rent stabilized apartments at an

11 alarming pace. The City lost more than 150,000 rent

12 stabilized apartments between 1994 and 2012, and at

13 the same time, aging stabilized buildings are opting

14 out of their subsidies. This trend has forced entire

15 neighborhoods to change and gentrify. Long-time New

16 Yorkers are forced out affecting mostly low-income

17 communities and communities of color. In addition to

18 maintaining affordable housing stock and regulating

19 rent, I would like to emphasize that regulated

20 housing also provides stability for low and moderate

21 income families as well as for neighborhoods and

22 communities. Unlike private housing where tenants

23 have little or no protection from being evicted upon

24 the expiration of their leases. Our clients who live

25 in non-regulated housing have to move as often as

2 every year leaving their communities, family members,
3 support services, medical providers, and their
4 children are forced to constantly change schools. We
5 have seen this trend particularly pervasive in Queens
6 where there's little rent stabilized or rent
7 controlled housing stock already. We also see a lot
8 of these families unable to find alternate housing
9 once their lease has expired. And then, at that
10 point they're often brought to Housing Court where
11 they're sometimes able to gain more time to move.
12 But, are often unable to find alternate housing, and
13 ultimately end up in the over-burdened shelter
14 system.

15 Now, with the end of the Advantage
16 Program [bell] Section 8 is no longer available, and
17 rent caps with that subsidy being unrealistically
18 low, we have seen an increase in the number of cases
19 filed for evictions and people entering or trying to
20 enter the shelter system. In addition to causing
21 homeless--

22 CHAIRPERSON WILLIAMS: [interposing] I'm
23 going to have to ask you to wrap your testimony up,
24 please.

25 CATERINA GENOVA: Pardon?

2 CHAIRPERSON WILLIAMS: I'm going to have
3 to ask you to wrap your testimony up, please.

4 CATERINA GENOVA: Of course. In
5 conclusion, we strongly you to pass the legislative--
6 the legislation extending and expanding both rent
7 stabilization and rent control in the city, and
8 expanding affordable housing. And I thank you for
9 the opportunity to testify today.

10 CHAIRPERSON WILLIAMS: Thank you very
11 much for all your testimony. I don't know if my
12 colleagues have any question. Seeing none, thank you
13 so much for spending some time to help us strengthen
14 the rent laws. Next, we have Tim Collins, Clara
15 Perez-Joseph, Ora Majen, I believe, Murat Ersoy, Tom
16 Waters, and Anna Ramos. Anna Ramos, I believe. I
17 know she needs a translator.

18 [background comments]

19 CHAIRPERSON WILLIAMS: Okay. You're
20 next. Right after this panel, will be Joseph Zapata,
21 Leandra Requena, Marcella Martinez and John Furlong
22 from ANHD so they can be on deck right now. So right
23 now we have again Tim Collins, Clara Perez-Joseph,
24 Ora Majen, Murat Ersoy, Tom Waters, and Anna Ramos.

25 [pause]

2 CHAIRPERSON WILLIAMS: One second.

3 Sorry. One second. If everybody can raise their
4 right hand. Do you affirm to tell the truth, the
5 whole truth, and nothing but the truth in your
6 testimony before this committee, and to respond
7 honestly to council member questions?

8 TIM COLLINS: I do.

9 CHAIRPERSON WILLIAMS: You can begin at
10 your leisure and at your preference in order.
11 Everyone has three minutes for testimony.

12 TIM COLLINS: Thank you, Chairman
13 Williams. My name is Tim Collins. As you know, I
14 was the former Executive Director of the City Rent
15 Guidelines Board. I'm now a partner with the tenant
16 firm of Collins, Dobkin and Miller. I'd like to
17 make, you know, respond to--I think what happens in
18 the industry is that you don't get necessarily
19 programmatic or a lot of bill-based criticism.
20 There's a long shimmering actually very well financed
21 public relations campaign against rent regulation.
22 Somehow we're left with the impression that there's
23 something unholy and unnatural about rent regulation.
24 That that the market would solve all of our problems.
25 The criticisms, the general criticisms are

2 philosophical. They purport to be somewhat
3 pragmatic, and they're based upon important
4 assumptions that need to be addressed. Among those
5 assumptions are the ideas that rent regulation causes
6 housing shortages, retards new construction, leads to
7 deterioration, and abandonment. Unfairly reduces
8 owner profits, hurts the local economy, causes
9 declines in tax revenues, results in under-
10 utilization of housing. Primarily benefits the rich,
11 hurts newcomers and co-op owners, and even leads to
12 homelessness, and probably causes a host of other
13 problems.

14 Everyone of those assumptions is weak at
15 best and many of them are absolutely false, and I
16 think it's important just to go through them very
17 quickly. The idea that it causes housing shortages.
18 Moderate rent regulation has been studied extensively
19 There is no concrete empirical data to show that rent
20 regulation has caused housing shortages. And
21 retarding new construction clearly-- New Jersey had
22 an experiment back in the early 1970s where some rent
23 controlled areas suffered a loss of 52% in new
24 construction, but the balance of the State lost 88%
25 in new construction during that recessionary period.

2 And nationwide, new construction went down 77%. So
3 clearly, rent control in New Jersey didn't cause a
4 loss in new construction. In the City of New York
5 construction is based upon a lot of other things
6 including zoning, interest rates, and so on. The
7 amount of capital flow, the general demand, the in
8 migration of new immigrants, and we've had a
9 tremendous growth in the city in the last couple of
10 decades.

11 Abandonment has been studied extensively.
12 Abandonment occurred in cities as pervasively and
13 severely in cities without rent regulation as in
14 cities with rent regulation back in the '60s and
15 '70s. Unfairly reduces owner profits. That's a
16 tough one. You know, the City Rent Guidelines Board
17 in order to keep owners whole would have had to have
18 increased rents by 144% for 1990. That would have
19 covered their cost of operation, and preserved net
20 operating income against the effects of inflation.
21 The Board voted 177% increases over that period while
22 exceeding what the owners needed in order to get new
23 or increased rents. That's evident from the HVS.
24 It's event from repeated studies by the Board's won
25 staff, and why they continue these excessive rent

2 increases I don't understand. They were clearly made
3 aware that they were excessive. If I may go on, Mr.
4 Chairman. I know you--

5 CHAIRPERSON WILLIAMS: You can wrap up
6 and then we're going to have some questions that you
7 can respond to.

8 TIM COLLINS: Oh, okay. Very good. And,
9 you know, listen, the thing is that yeah if you got
10 rid of rent regulation the market would be free.
11 There would be a tremendous amount of gentrification.
12 The housing stock would increase in value. Tax
13 revenues would increase, but tenants would have less
14 to spend on the local economy, and people would be
15 displaced. In Cambridge, about a quarter of the
16 people lived in Cambridge, Massachusetts when they
17 ended rent regulation, were displaced. Rents went up
18 75%, and ultimately and fundamentally, people who
19 think that nice housing and improved tax revenues
20 should trump the interest of having affordable
21 housing in the city rest upon the fundamental premise
22 of class bigotry. You cannot permit that to happen
23 in this city. You have to fight harder and keep it
24 and these bills are great bills, by the way.

2 CHAIRPERSON WILLIAMS: Thank you.

3 Whoever would like to go next.

4 CLARA PEREZ-JOSEPH: Who's the next
5 person?

6 CHAIRPERSON WILLIAMS: You can decide.

7 CLARA PEREZ-JOSEPH: My name is Clara
8 Perez-Joseph, and I'm here on behalf Los Inquilinos
9 Unidos [speaking Spanish] Tenants United under the
10 umbrella of the Fifth Avenue Committee. On behalf of
11 Los Inquilinos Unidos, I'd like to thank Chairman
12 Williams and the Housing Committee for giving the
13 public and the constituents a voice today here. My
14 personal story I have been a resident of Crown
15 Heights for 49 years, 13 years in a rent controlled
16 apartment and 36 years in a rent stabilized
17 apartment. I raised three children there. I was a
18 divorced parent over 20 years ago, and with all those
19 challenges at least my children had the stability of
20 belonging to a community where they can do their
21 homework in peace and not having to worry about
22 moving around.

23 I'm here because I want the rent
24 stabilized regulations to be renewed, but to also be
25 strengthened. There's a lot of protection with that.

2 If your landlord doesn't want to give you a lease,
3 you complain to DHCR and they will take care of it.

4 It takes a while, but they will answer. You have the
5 warranty of having ability. If you have a case with
6 DHCR, and the landlord then wants to take you for the
7 same thing to Housing Court, he can't do it. There
8 are protections. And also, when they get rid of rent
9 stabilized tenants, they also get rid of the

10 neighborhood, of the mom and pop shops that used to
11 services those tenants. They no longer have a
12 clientele. and they have to move, and then you have
13 that rapid gentrification. We don't want them to

14 renew these rent stabilization laws and keep pulling
15 out a clause or pulling out another clause. So the
16 whole thing atrophies into nothing. We need to have

17 the rent stabilized law renewed and strengthened so
18 we can keep our children in the community. And for
19 generations, they'll have--they'll know what

20 community their parents grew up in. I took my
21 children to Fort Green where I grew up the other day,
22 and it was sad. Because I didn't recognize a thing,
23 and we don't want that to happen to our children.

24 Thank you.

2 CHAIRPERSON WILLIAMS: Thank you. Whoever
3 is--

4 ANNA RAMOS: [off mic] [Speaking Spanish]
5 [on mic] [Speaking Spanish] TRANSLATOR: My name is
6 Anna Ramos. We are here as part of Tenants
7 United/Los Inquilinos Unidos. We need people to pay
8 attention to us about the rent stabilized laws. We
9 need more protection for people with low income.
10 Some have SCRIE and we don't want to lose more
11 benefits and protections for the tenants. We need
12 more protections and the right for repairs, and
13 dignified homes. We are claiming human rights for
14 all the New York City tenants. Thank you.

15 CHAIRPERSON WILLIAMS: Thank you.
16 Gracias.

17 TOM WATER: Hello. I'm Tom Waters from
18 the Community Service Society of New York, and I
19 don't have that much to add to what the other
20 panelists have already said, but I do want to make
21 three points. The first is that the fundamental
22 purpose of rent regulation is respond to the
23 persistent housing shortage in New York City that
24 creates--can balance the power between tenants and
25 landlords. The purpose of the law is to make sure

2 landlords can't exploit this imbalance to impose
3 exorbitant rent increase, or unjustified evictions on
4 tenants. It's a matter of simple justice to prevent
5 those abuses from taking place, and really that is
6 the main reason for the rent laws and why you should
7 pass your Into and Resolution to extend that.

8 My second point is that the rent laws are
9 a really important complement to the City's economic
10 development policy. As you know, the City uses a lot
11 of its attention and a lot of its authority, and a
12 lot of its money to promote economic development in
13 the City. And it's imperative that when it does
14 that, the benefits are enjoyed by everybody, But
15 economic development usually results in rising rents,
16 which means that only those who can afford to pay for
17 the--the benefits again through their rent share
18 them. If you can't afford the rent, you are
19 displaced and you're actively harmed by the economic
20 development that was supposed to be a benefit for the
21 whole community. So if you don't have protection
22 against that kind of displacement, it becomes much
23 harder to justify economic development as a priority
24 in city policy. It's imperative to combine economic
25 development with protections against displacement.

2 And my third point is that although the
3 rent laws are not really an affordability program,
4 and most rent regulated apartments are not affordable
5 in the classic sense that the tenants in more than
6 half of the apartment are paying more than 30% of
7 their income as rent. Nevertheless, rent regulation
8 has a tremendously important impact on affordability
9 in the city for the good. You can't tell this from
10 looking at the latest Housing and Vacancy Survey data
11 that HPD has examined because they don't break it
12 out. They don't break the affordable impacts of rent
13 regulation out by income group. But for low-income
14 New Yorkers, if you have a rent regulated apartment,
15 your median--you're probably paying the median rent
16 burden is for 40% of income--47% of income. For
17 unregulated tenants, low-income tenants it's 51%. So
18 there's 4% difference there. That doesn't get you
19 down to the 30% it should be, but it's tremendously
20 valuable. If you--you can--this is from the 2011
21 Housing and Vacancy Survey. You can also look at it
22 in terms of how much money is left after you pay the
23 rent [bell]. It's a difference between \$378 per
24 household member of income after rent median for low-
25 income households versus \$333. It's the difference

2 between having \$12.60 a day to spend on food,
3 clothing and everything else or \$11.10 a day per
4 person.

5 CHAIRPERSON WILLIAMS: [interposing] Tom,
6 I'm going to have to ask you to wrap up.

7 TOM WATER: It's a 14% difference.

8 CHAIRPERSON WILLIAMS: We'll have some
9 questions. So that you can finish what you were
10 saying.

11 TOM WATER: All right. So the point is
12 it's a vital part of our affordable picture, and many
13 of the resolutions that you have address making it an
14 even better production of affordable-for
15 affordability for low-income New Yorkers.

16 CHAIRPERSON WILLIAMS: Thank you.

17 [pause, background noise]

18 MURAT ERSOY: So, hello everyone. My
19 first name is Turkish by the way, but I try my best
20 to explain what I have experienced with my landlord.
21 I am a member of Neighbors Helping Neighbors in
22 Sunset Park, Brooklyn. And I open a small Turkish
23 restaurant in Sunset Park, Brooklyn, and I'm chef and
24 owner of the restaurant. And I rent this apartment
25 in 2011, and belongs to Borough Park, LLC anyway. In

2 2011, the economy was not just good for everybody and
3 for me because I opened a restaurant, and I tried to
4 fight to be paying my rent, my salaries, and all
5 those things. And I was late to pay my rent two
6 times with my landlord where I live in my house. And
7 November 2013, my family was visiting me from Turkey
8 to assemble, my sister, my mother, father for New
9 Year and celebrate to opening the new restaurant with
10 me also. And I find some marshals put letters on my
11 door because it's Friday night when I wasn't home,
12 and I had to stay outside like five days with my
13 family. The reason is I paid two times late on my
14 rent to my landlord, and I believe he is not right to
15 do that, and I feel so bad with my family with the
16 situation.

17 And after that, he takes action. He take
18 me to Housing Court eight times, and he refused to
19 sign a renewal lease, and behind that he did it like
20 cutting my electric and my gas. And just midnight
21 locking the door just saying some--no reason. I
22 don't know. Even I don't owe him any single pennies,
23 but I promised to pay my rent, but he doesn't want
24 any people staying in this apartment longer than one
25 year. The reason? So many new people is moving to

2 the neighborhood so he can raise the rent for higher
3 than I pay I believe so. And I take him to Housing
4 and Community Renewal Office Court because in 2011, I
5 signed a contract. It's \$1,150, and he raised to
6 \$1,450 in the Housing Court after I still keeping
7 paying my rent, but he asked me \$1,450. And because
8 I don't want to move my apartment because I have to
9 focus my new business. Still baby. And after--
10 after--when I take him to Community Renewal Office,
11 he raises my rent is like \$300 more than one times.
12 First \$1,150 like I told you. \$1,150 to \$1,450.

13 So I'm still staying in the same
14 apartment, and I have court at Housing and Community
15 Renewal Office. They're raising--he's like this much
16 money to do that. So it's taking like two years.
17 I'm almost there probably. So, he's asking me now--
18 My contract was finishing this February 31s--February
19 28th. And he's asking me \$1,700 right now if I want
20 to stay longer in this apartment. So I tell him I'm
21 not willing to sign any contract, and then I'm going
22 to live in this apartment to the end of June. And
23 after that, he take me another action. He tried to
24 kill my credit so I cannot rent any other apartment
25 probably. He's asking me--he takes me to--eight

2 times to court. So he's asking me to pay him
3 \$4,810.21 for late fees and legal fees.

4 CHAIRPERSON WILLIAMS: Mr. Ersoy, thank
5 you for giving your testimony. I did want to ask, so
6 one, I assume your apartment is not regulated. It's
7 a rent stabilized apartment?

8 MURAT ERSOY: Yes.

9 CHAIRPERSON WILLIAMS: And did you have
10 preferential rent?

11 MURAT ERSOY: Yes.

12 CHAIRPERSON WILLIAMS: And so, you're--
13 you're working with Neighbors Helping Neighbors?

14 MURAT ERSOY: I just find them after this
15 whole situation, I just feel so bad. So I just
16 search and I become a member of Neighbors Helping to
17 Neighbors.

18 CHAIRPERSON WILLIAMS: Did you also--

19 MURAT ERSOY: [interposing] They are
20 helping me a lot with this situation.

21 CHAIRPERSON WILLIAMS: Did you also--are
22 you also trying a harassment complaint against the--

23 MURAT ERSOY: I did a harassment, but
24 when I was in the Housing and Community Renewal
25

2 Office, there was a small meeting like a couple weeks
3 ago.

4 CHAIRPERSON WILLIAMS: Uh-huh.

5 MURAT ERSOY: And I would like four case
6 over for my landlord. Only the one I left it, and
7 the one is overcharged case. I just keep the
8 overcharge case because it's taking like two years.
9 So I've got only what's there maybe probably next
10 month or after next month. So the rest--three cases
11 I just leave it because they ask me to be--leave my
12 apartment the end of June.

13 CHAIRPERSON WILLIAMS: Well, I'm glad
14 that you're working--

15 MURAT ERSOY: [interposing] Otherwise I
16 have to pay \$700--

17 CHAIRPERSON WILLIAMS: [interposing]
18 Yeah.

19 MURAT ERSOY: --instead of I start with
20 \$1,150.

21 CHAIRPERSON WILLIAMS: I'm glad that
22 you're working with a community group, and one of the
23 reasons we're doing this is to actually in the best
24 case scenario, I wish that we had the authority to do
25 it. But it's the State to deal with some of the

2 preferential rent issues. I'm glad that you filed
3 and overcharge claim. Hopefully, you'll file a
4 harassment claim it sounded like from your testimony
5 as well. I'm assuming this is your first time
6 testifying. You did a fantastic job. So thank you
7 for coming--

8 MURAT ERSOY: [interposing] Thank you.

9 CHAIRPERSON WILLIAMS: --and sharing your
10 story with us, and I hope that you get remedy for
11 what you've been going through. So I'm sorry about
12 that.

13 MURAT ERSOY: Yes. And I just want to
14 add some small things before I leave here. And I
15 want some more protection for tenants, for the
16 situation. I fight it but I'm sure nobody is
17 fighting like me with their landlord. Because he
18 it's like he says 250 apartments in the--were in
19 arrear. And I see every--in four years I see every
20 month some notice that tenants do. It's mine. The
21 other ones has some court issues, and the other like
22 marshal notice. So, I hope nobody has any law note
23 like I do.

24 CHAIRPERSON WILLIAMS: Well, thank you
25 for standing up. A lot of times tenants don't do

2 what you're doing, and so I'm very happy that you
3 are. And I wish you the best of luck with that.
4 Thank you, sir. I just have a couple of questions.
5 Tim, I want to--I didn't quite get the numbers, but I
6 think you said there were time periods where they
7 raised--LGB raised our rent 177% as opposed to the
8 percentage that was needed. Can you just repeat that
9 again.

10 TIM COLLINS: Yeah, there's a lot of
11 misunderstanding about that. You know, there has
12 long been this issue of how much should the Rent
13 Guidelines Board raise the rents, and the pitch was
14 that if operating costs go up 5%, the rents have to
15 go up 5%. People neglect the fact that about a third
16 of the total rent budget goes to net operating
17 income. And operating costs have gone up faster than
18 inflation. So when you measure it accurately, what
19 you would want to do is increase rents to cover
20 operating costs for that portion that's devoted to
21 operating costs. And you would increase the portion
22 that goes to net operating income by the rate of
23 inflation. And when you do that, in order to keep
24 owners whole-- In other words, they wouldn't have
25 lost any ground. From the time that we first started

2 to measure this stuff with precision. you would have
3 had to raise rent 144%. Now, rents didn't go up
4 177%. They might have gone up more than that, but
5 the Rent Guidelines Board authorized a full 177% in
6 increases. So vacancy deregulation and luxury
7 deregulation aside, MICs aside, and that sort of
8 thing, what the Rent Guidelines Board did was
9 outstrip the actual need of the owners by a very
10 large proportion. And that is something we
11 repeatedly brought to the Rent Guidelines Board in
12 detail with a lot of backing in terms of the evidence
13 from the City Department of Finance Tax Information,
14 and we were repeatedly ignored. And we spoon fed it
15 to the Board. And it was getting frustrating to the
16 point where, you know, my anger had still boiled over
17 into my testimony this year before the board, a
18 reconstituted board, one which was far more receptive
19 to our arguments. And I think had a much clear
20 headed--a more clear headed view of what needed to be
21 done. And hopefully, this year we're going to see
22 either a rent freeze or a rollback, especially in
23 light of the heating costs that have gone down
24 dramatically. Notwithstanding the fact that we've

2 had some awful cold weather, the oil prices gone down
3 very much.

4 CHAIRPERSON WILLIAMS: Those numbers you
5 said, does that--does that allows--does that allow
6 for landlords to maintain income, to get more income,
7 get--

8 TIM COLLINS: It allows landlords to keep
9 absolutely whole for the cost of operation, and to
10 preserve net operating income against the effects of
11 inflation. It would have been 144%, and as I said,
12 the Board authorized 177%.

13 CHAIRPERSON WILLIAMS: So basically,
14 making the same percentage of income each year?

15 TIM COLLINS: That's right. That's
16 right, and by the way, you're making the same amount
17 of income each year when we just witnessed a five,
18 six, seven-year period of a deep recession where lots
19 of other folks in this economy have lost. And where
20 tenant incomes have clearly sputtered, and gone
21 anywhere as this HVS illustrates. And, for a period
22 of time between I think it was 2009 and 2013,
23 nationwide rents actually fell a little bit. But in
24 New York City they continued to gallop ahead because
25 of unwarranted rent increases. And, Mr. Chairman, I

2 have to emphasize that this is a product of a
3 tremendous amount of misinformation about this
4 system. The owners are arguing that somehow it's
5 invading their profits. It's affecting their
6 property rights. But notwithstanding that, the value
7 of their apartment--of their buildings has gone up
8 many, many folds during the period of rent
9 regulation. And not only that, but it's premised
10 upon this idea the somehow the marketplace is
11 neutral. It is not. In the City of New York there
12 are a tremendous number of things that suppress new
13 construction, including zoning, building codes,
14 landmarks. Those things are in place because we need
15 to preserve the quality of life, and regulate growth
16 so it doesn't get out of control. So we don't end up
17 with a completely unlivable city, which is
18 overcrowded and dangerous.

19 So we have to have those things in place.
20 What is the primary consequence of that government
21 intervention? It gives owners of existing housing--
22 like kind of a semi-monopolistic control over the
23 housing stock where they are not--they are not
24 challenged by competition as they would be in some
25 Midwestern or Western city where they could continue

2 to grow. They can't. They can only grow
3 incrementally in New York. And that benefits them,
4 gives them a market advantage. It's one of the
5 reasons why we have such a low vacancy rate, and it's
6 one of the reasons why we have to continue rent
7 regulation. And it's one of the reasons why the City
8 Council has to be really militant about this.

9 And let me just add one other thing. In
10 1933, the American banking system was falling apart.
11 The nation was in a state of danger. Martial law had
12 been declared in some areas. Foreclosure options
13 when people were losing houses, were surrounded by
14 angry farmers with pitchforks and shotguns. People
15 were ticked off and the country was tottering.
16 Franklin Roosevelt gave his inaugural address, and
17 then he went to visit Oliver Wendell Holmes, who was
18 a retired Justice of the Supreme Court. He was
19 wounded three times during the Civil War. A very
20 famous judge. And he asked Holmes what would you do?
21 And Holmes said this is war. Form your battalions
22 and fight, and that's what you have to do. You have
23 to fight, and you have to fight with everything you
24 can. And I know, Chairman Williams, you do. I've
25 seen you out there. I've seen you in the marches,

2 and I know you're committed to that. You have to get
3 your colleagues to fight as well. Their voices have
4 to be heard in Albany, and the fact is that we don't
5 have a democratic system in this state. We have a
6 corrupted system because the flow of real estate
7 money to Albany is basically going into pockets of
8 representatives who don't have a single rent
9 regulated tenant in their district. So there's a
10 disconnect between the exercise of power and the
11 accountability over that power through the elective
12 process. Our delegates in New York City know that.
13 And we have to go fight not only in terms of
14 protecting the social justice issues of tenants. We
15 have to fight for democracy, and the basic principle
16 that people who get to exercise power have to answer
17 to an electorate on election day. And eventually,
18 hopefully we should have home rule over rent
19 regulation. And, thank you, Mr. Chairman, for
20 allowing me to go on.

21 CHAIRPERSON WILLIAMS: Thank you. I do
22 have one more question, and hopefully you'll take
23 less time answer.

24 TIM COLLINS: [laughs] Less time.
25

2 CHAIRPERSON WILLIAMS: But thank you for
3 all your points. Often times, when they're talking
4 about regulation, they do bring up places where rent
5 regulation has been removed. I think you mentioned
6 Cambridge.

7 TIM COLLINS: Last year, yes.

8 CHAIRPERSON WILLIAMS: Was it Boston
9 also?

10 TIM COLLINS: Yeah, can you explain any
11 impact that's happened in Boston and Cambridge as
12 well?

13 CHAIRPERSON WILLIAMS: Yeah, there was a
14 recent study, and I'm--I'd have to double check the
15 exact figures, but recollection is that Cambridge the
16 rent regulation was removed in 1994 and by 2004,
17 rents had risen some 75%. Now, interestingly, there
18 was a lot of building and investment that went on in
19 Cambridge. It was kind of an isolated, regulated
20 market. It's unlike New York because with the MCI
21 program and all of the other incentives that are
22 built in, we do have quality housing here. It's kept
23 up. The reasons HVS shows that, in fact, you know,
24 we're not losing ground in terms of dilapidation or
25 deterioration in any significant degree. We're doing

2 very well here. But in Cambridge, Massachusetts, my
3 recollection is about 26% of the residents of
4 Cambridge had to move out. That rent skyrocketed,
5 and in Boston where rents also went up, Mayor Menino
6 after about a six-year period called for a re-
7 instatement of rent control because he--he considered
8 deregulation a disaster. Now, this is why I rest on
9 this one fundamental point, and I think it needs to
10 be talked about. I don't fault the real estate
11 industry to try to make money. That's what they--
12 they have fiduciary obligations, you know, in case of
13 investors and that sort of thing. And it's part of
14 the name of the game that they're out there to make
15 money. But policymakers have to understand that when
16 you get rid of this kind of protection, and you allow
17 displacement of poor people, of working families and
18 now middle-income families, you cannot reconcile that
19 kind of policy with a fair and balanced attitude
20 towards the people you're supposed to be
21 representing. It has to be in the final analysis
22 based upon a class bigotry that we cannot afford to
23 allow it to continue in this city given the housing
24 affordability crisis. And again, Mr. Chairman, I

2 thank you for all of your efforts and for your
3 patience with my testimony.

4 TIM COLLINS: Thank you. Well, you've
5 been doing this for quite some time. So I appreciate
6 it. We can't--

7 [applause]

8 SERGEANT-A-ARMS: Quiet down, please.

9 [gavel]

10 CHAIRPERSON WILLIAMS: So we try to do
11 this to show your approval if possible so we can keep
12 the noise level down. But thank you again. And Tom,
13 I think you were--I think you were talking about the
14 difference in the 4% between people who have
15 regulation and don't. If you want to, you can expand
16 on that some more.

17 TOM WATERS: Right. The evidence from
18 the Housing and Vacancy Survey shows that although
19 rent regulation is not designed as an affordability
20 program, and can't ultimately be judged as an
21 affordability program, it does improve affordability
22 for the 400,000 low-income households that live in
23 rent regulated housing. And also for the households
24 that are not low-income. And, it's really an
25 important difference that the same household--the

2 low-income household in the unregulated apartment
3 paying more than half of their income in rent, 51%.
4 The household in the rent regulated apartment with
5 47%. So 4% better if you're in subsidized housing
6 subject to the federal rent rule, a limit of 30%.
7 And you're paying 30%. So that's, you know, much
8 better and further away. But that 4% is really
9 important because it translates into 1 14% difference
10 in net income for that household. It means that
11 instead of \$11.10 a day per household member to spend
12 on clothing, food and everything else, you have
13 \$12.60, 14% more. And that's a huge factor
14 especially when you multiply it by 400,000
15 households. And, in fact, rent regulation could do
16 even better than that if we could get rid of
17 excessive increases during vacancy. If we could get
18 rid of--if we could make MCIs into a rational
19 program, and if we could make preferential rent into
20 a rational system. So the resolutions that you have
21 before you calling for improvements to the rent laws
22 directly address--any of them directly address how to
23 make-- Use rent regulation as a tool for making
24 housing more affordable for people in New York City,
25 and I urge you to pass all those resolutions and

2 joint the tenant movement and the neighborhood
3 movement in Albany getting the real decision makers
4 to do the right thing on this issue.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much. Tim, just one last question, what was the
7 timeframe you were talking about the 177% increase?

8 TIM COLLINS: That would be from 1990
9 through I believe the last year we had data. You
10 know, precise data was either 2012 or 2013. There
11 was a look back because there was little delay in the
12 tax filings. But I believe the trend has continued,
13 and I believe the most recent HVS shows that rent--
14 stabilized rents are--have outstripped increases in
15 market rents.

16 CHAIRPERSON WILLIAMS: Okay. Thank you.
17 Thank you all for your testimony today. We really
18 appreciate it. Thank you.

19 TIM COLLINS: Thank you.

20 CHAIRPERSON WILLIAMS: We have two
21 panels. Coming up now, Joseph Zapata, Leandra
22 Requena, Marcella Martinez, John Furlong. They'll be
23 final--they'll be followed by our final panel
24 Alexandra Molle [sp?], Raphael Gomez Luna, Louis
25 Carrello. [sp?].

2 [background comments, pause.

3 CHAIRPERSON WILLIAMS: Can you all raise
4 your right hand, please? Do you affirm to tell the
5 truth, the whole truth, and nothing but the truth in
6 your testimony before this committee, and to respond
7 honestly to council member questions? You can begin
8 at your preference.

9 JONATHAN FURLONG: Good afternoon. Thank
10 you, Chairman Williams and members of the Council for
11 the opportunity to testify today. My name is
12 Jonathan Furlong. I'm the Senior Tenant Organizer
13 for the Association for Neighborhood and Housing
14 Development, NHD. We are a member organization of
15 New York City neighborhood-based housing and economic
16 development groups, CDCs, developers, supportive
17 housing providers, and community organizers. Given
18 the importance of the rent regulation for low,
19 moderate-income New Yorkers, we're very happy to
20 share our thoughts on this issue. Rent regulation is
21 not only the greatest source of affordable housing in
22 New York, it also provides tenants with critical
23 legal protections. Rent regulation provides
24 stability to individuals, families and entire
25 communities. And it is the primary reason why New

2 York City remains a diverse, vibrant place that low
3 and moderate-income people who can afford to live in.

4 Today, most New Yorkers will never be
5 able to afford the market rents in their own
6 neighborhoods. This is particularly true for lower
7 income tenants who live in areas that are
8 experiencing gentrification. Many neighborhoods that
9 used to be affordable to people of modest means has
10 seen rents skyrocket. And the only reason why most
11 long-term tenants are able to stay in communities
12 where they've set roots is because of these rent
13 regulation laws. These laws protect the
14 affordability for 2.5 million New Yorker more than
15 any other program combined. And they keep increases
16 under control in privately owned buildings, and
17 prevent landlords from imposing outrageous rent hikes
18 or evicting tenants without cause. The rapid loss of
19 rent regulated units has been an increasing concern
20 for communities across the state as the lingering
21 economic recession has exacerbated the affordable
22 housing crisis.

23 In the last 20 years, we estimate that
24 we've lost between 300,000 to 400,000 units and that
25 number is sort of up for debate. Although high rent

2 Vacancy Decontrol is by far the single greatest
3 reason it exit [sic] the rent--the rent regulation
4 system to systematic abuse of regulatory loopholes,
5 which have been discussed ad nauseam today. It is
6 also a major factor in the loss of rent regulated
7 units. If we don't win repeal of the 1997
8 Deregulation Amendments and close other loopholes in
9 the State Rent Laws, the City will lose far more
10 affordable apartments over the next ten years than
11 the 200,000 the Mayor intends to build or preserve.
12 Given the importance of rent stabilization and rent
13 control for the million or so apartments left,
14 protected under the system, NHD strongly urges both
15 the Council and Mayor to renew rent laws for the
16 city. Thank you for the opportunity to testify.

17 CHAIRPERSON WILLIAMS: Next.

18 [pause]

19 LEANDRA REQUENA: Good afternoon. My
20 name is Leandra Requena. I am a core organizer, a
21 member of Make the Road New York. I came here in the
22 name of the working families, mothers like me. Right
23 now I would like to say, Felice Abalore [sp?] is
24 facing the court right now trying to avoid to be
25 evicted from her home that she was living for almost

2 10 years. She has two kids and one granddaughter who
3 is one year, and she was-- Unfortunately, she
4 doesn't have the--the rent in her name. It was her
5 roommate, from the owner. And the owner left the
6 home, and now she's to face it with marshal
7 eviction, and she cannot stay in that home. That's
8 one of them.

9 I'm going to give my--I was living in the
10 rent stabilization. Rent stabilization is very
11 important for all families. Now, I am facing to be
12 evicted in the place that I live in also. How? I
13 was living in the rent stabilization, but thanks to
14 loopholes. And all the harassment that the owners
15 are doing to us, I decided to move out because I was
16 living in a studio. It was almost \$1,300 at that
17 time because after I was calling the 311 or going to
18 the DHCR to find out what's my rights about the
19 condition of the apartment that I should be live, and
20 I am paying the rent. But it was bed bugs and all
21 destruction in my apartment, and they decide to avoid
22 the--to give me the rent--the preferential rent. And
23 then I decide to move out. I found another place.
24 It was private. It was the same--the amount. I
25 found apartment with one bedroom, a decent place to

2 live, but it's private. Now, they decide to sell
3 that property, and I have to be out at the end of
4 this month. I went to find out another---another
5 place, but thanks to the organization I was three
6 years without a job, and my credit cards, everything
7 was down. I don't have good credit. It's not easy
8 to find an apartment. That's where I'm--I urge you
9 please find heart for those families who are facing
10 eviction, who are on the street, who doesn't have
11 home. And we deserve to be here because this is our
12 city. I'm here for 30 years. I'm more than 30 years
13 people. We are contribute with our taxes. We don't
14 have tax breaks. That's how we would like. Please
15 give like our voice in Albany. We are--I am going to
16 be tomorrow there. Thank you. [crying]

17 MARCELLA MARTINEZ: Hi. My name is
18 Marcella Martinez, and I'm a tenant advocate and
19 organizer for Neighbors Helping Neighbors. I'd like
20 to elaborate a little bit more on Murat's landlord,
21 who I have a lot of history with. I used to live on
22 44th Street between Eight and Ninth Avenue in
23 Manhattan when all the sex shops were there. In '78,
24 my dad got us a rent stabilized apartment in Sunset
25 Park that I've been living there 'til 2007. In 2006,

2 Murat's landlord, Jack Luella, came into Sunset Park
3 and purchased our 30-unit rent stabilized building.
4 Within six months, he had displaced at least half of
5 the tenants. I was raised in that apartment over 30
6 years wit my grandparents, and I was now living there
7 with my daughter. And I was a threat to him because
8 I had a right to take over the apartment and then
9 pass it onto my daughter.

10 What Murat spoke about is just a little
11 bit of the harassment that he's been doing. He has
12 blatantly told us that he does not want Latinos in
13 his apartments. He has blatantly told us he wants to
14 rent to people from Omaha. He has blatantly told our
15 neighbors that their children are going to come home
16 and not find their parents. Because he is going to
17 call immigration. He pushed the building knowing the
18 tenants like Murat. He offered them a preferential
19 rent knowing that the tenants didn't understand what
20 was happening. And it's years later and some of them
21 are experiencing five, six, seven hundred dollar
22 increases. This is someone who completely
23 understands the law, and understands the loopholes,
24 and does everything and anything he can to get away
25 with it. I ended up leaving my rent stabilized

1 apartment I was evicted from. It didn't feel like
2 home when you're constantly being harassed. I give a
3 lot of credit to Murat for standing there is
4 fighting. But the truth is we do not have the
5 resources or the support that we need. The rent laws
6 are what make New York City affordable. This is a
7 place of immigrants. Our community is now being
8 labeled as a renaissance because of the rich culture
9 that it has. But it cannot--we cannot find
10 affordable housing for us.
11

12 During my process and learning, going
13 through my eviction and educating myself, I realized
14 that the stacks were against the tenants, and they
15 need all the help that they can get. So renewing the
16 rent laws is great, but it will do nothing unless we
17 appeal vacancy de control. Unless we get rid of all
18 these increases that they're using. I'm working with
19 some tenants at 461 and 465 on 46th Street. Their
20 building got sold and got purchased by Dermot.
21 Within two years, they received five MCIs. We're
22 talking about an average of a \$100 increase per
23 apartment per month that we are still fighting. We
24 need the assistance of the City, the State. We need
25 everyone to pitch in to make sure that New York City

2 continues to be the diverse place that it is. And
3 most importantly, we need to take care of our working
4 class. That is the fabric of what makes New York
5 City what it is. I come to you not just as a long-
6 term resident of Sunset Park, but education has taken
7 me to be an advocate and an organizer for the
8 community organization, Neighbors Helping Neighbors,
9 who is now an affiliate of the Fifth Avenue
10 Committee. I come to you as Community Board 7's
11 Housing Committee Chair, and I come to you as a
12 member of Tenants Impact [sic]. And it's important
13 for all of us to get involved because we need to be
14 the ones to hold our elected officials accountable.
15 Thank you.

16 CHAIRPERSON WILLIAMS: Thank you.

17 [pause, background comments]

18 JOSEPH ZAPATA: Thank you and thank you
19 for hearing our voices, and having this panel. My
20 name is Joseph Zapata. I'm a council member and I'm
21 a Bronx tenant for over 50 years. Stagnant incomes
22 for years in the Bronx and throughout the city have
23 been plaguing us and displacing us. While the rents
24 are increasing at an alarming rate, and no one is
25 really watching or minding the store at this point.

2 My experience with HPD is it takes about two years
3 for them to do these investigations. And sometimes
4 when you call some of these departments, the people
5 that answer are kind of nasty. They don't want to
6 talk to you. And if you have too many facts, they
7 kind of like get upset that you know so much, and
8 they question why. I'm not happy about that. It
9 seems that we are going through an economical war,
10 and they are hitting us left and right with all kinds
11 of fees, increases. We need to stream these laws so
12 all these loopholes are closed. Landlords are
13 inflating their operations costs, and no one is
14 watching or reviewing all of the paperwork.

15 They're inflating them just so they can
16 get a higher number so they can increase and reach
17 the threshold so they can displace all these people.
18 This needs to stop. We need to, you know, have a
19 legacy and put people in place so the fight does not
20 end like when they killed Martin Luther King or
21 Malcolm X. We need to continue this fight. You
22 know, I see that a lot of the-- Not all, but there
23 are some good officials out there. But there are some
24 that despondent to what the public needs, and only
25 thinking about, you know, lining their pockets. In

2 this economic war, we need allies. We need people
3 like you, Mr. Williams, to champion us, and go out
4 there and say, Look, enough is enough. Let's stop
5 the bleeding. Too much is going on. I have
6 something prepared, but there is just so much that
7 needs to be said, and needs to be addressed. These
8 guys have loopholes left and right. They have
9 lawyers. They have money. They have commercials.
10 They have government officials in their pockets.
11 They have all kinds of, you know, little things that
12 we don't have. And hear our cries.

13 You know, New York City what is it, we're
14 going to start importing workers to New York City
15 now, and everybody else is going to have to live
16 somewhere else? Is that what it's going to come out
17 to? Don't you see, it's really an economic war.
18 They're hitting us left and right with all kinds of
19 stuff, and we need to realize that, you know, a lot
20 of seniors are hurting. They're paying all their
21 Social Security number--money to rent, and they can't
22 even buy food or buy their medicine, you know. And
23 then, they're getting evicted. I mean too many
24 people are homeless and dying out on the street
25 because it's just too cold out there. And for a big

2 city like New York we shouldn't be propagating
3 homelessness. We should stop it and we should have
4 something in place to control the bleeding. And we
5 definitely need Intro 214 across the board. It's not
6 just for displaced people. The rezoning that going
7 on Jerome because, you know, I showed up at one of
8 the planning meetings. They were upset that I showed
9 up. Well, Cassum and myself, and when we asked
10 pointed questions, they weren't happy. And then lo
11 and behold, two days later, the two-year study that
12 they had they shorted it. They shortened it to eight
13 months. Why? Why are they trying to expedite it,
14 and leave the community out? Why can't they ask the
15 community or community leaders, okay, and not just
16 rely on the community boards because some of them
17 have their own hidden agendas.

18 CHAIRPERSON WILLIAMS: Okay. I'm going
19 to have to ask you to wrap up.

20 JOSEPH ZAPATA: Okay, and in retrospect,
21 we need rollback. We definitely need rollback, and
22 we need people to realize that we do have power, and
23 it's civil right. We do have a civil right to
24 living New York City, and we do have a right to get
25 affordable housing. And we need to champion that,

2 and we need to let the government officials know that
3 this need is here. The cry has gone out. Hear our
4 cries. Hear us. Fight for us and stop the bleeding.
5 Too many people are just dying. They are dying.

6 CHAIRPERSON WILLIAMS: Thank you, Mr.
7 Zapata.

8 JOSEPH ZAPATA: Thank you.

9 CHAIRPERSON WILLIAMS: Ms. Martinez, the
10 tenants that were displaced, were this based on
11 preferential rent? Did they have buyouts? How did
12 he get them out?

13 MARCELLA MARTINEZ: So, it's a
14 combination of things. So one of the things that
15 we're noticing about these property owners that are
16 coming into our neighborhoods is that they are
17 looking at the rent rolls. And so, they know that
18 the tenants have the preferential rent, and so
19 they're waiting for the next renewal to them. He's
20 verbally offered cash to tenants, and then when
21 they've handed them the keys kind of just walked away
22 because there was nothing in writing. We're talking
23 tenants who are getting Housing Court papers that
24 don't understand that are afraid that if they go to
25 court their immigration status is going to come up.

2 So it's a series of things. And like I said, this is
3 why I give Murat so much credit is because it gets to
4 the point where your home does not feel like your
5 home any more. You're constantly being harassed,
6 whether it's a notice, whether it's a knock on the
7 door, whether it's, you know, them constantly being
8 there.

9 CHAIRPERSON WILLIAMS: Thank you for
10 that, and thank you for all the work that you're
11 doing, and thank you again, Murat, and hopefully--
12 What we're trying to do here is fight for people like
13 yourself and many thousands of people that you
14 represent. So thank you so much for your testimony
15 today. We have one more panel.

16 COUNCIL MEMBER MENDEZ: Mr. Chair, I have
17 some questions.

18 CHAIRPERSON WILLIAMS: Oh, I'm sorry.
19 Well, let me just do this because I'm going to get
20 ready to head out. Unfortunately, I have to leave
21 and I have another champion who has agreed to finish
22 the hearing with the last panel and that will be
23 Council Member Mendez. And you can come now and you
24 can ask your questions. But thank you so much for

2 the work that you're doing, and Council Member Mendez
3 is going to continuing chairing from this point.

4 COUNCIL MEMBER MENDEZ: Thank you. I'm
5 sorry. I don't recall your name. Thank you. Yes.

6 MARCELLA MARTINEZ: Marcella Martinez
7 from Sunset Park and Neighbors Helping Neighbors.

8 COUNCIL MEMBER MENDEZ: Okay, so you
9 mentioned that--I don't know if it's the building you
10 lived in or some people you were working with, but
11 they kept giving all these major capital increases?

12 MARCELLA MARTINEZ: So yes. So I'm
13 currently working with some tenants here at 461 and
14 465 on 46th Street. It's actually two buildings,
15 long-term tenants. Maybe two or three years ago they
16 got purchased by Dermot, who was then sending
17 invoices with a bunch of arrears. They started doing
18 MCIs, and like I said, now that we're looking at all
19 of them, we're talking about an overall of five
20 incidents averaging about \$100. Everything from
21 cleaning and washing the outside of the building to
22 new intercoms in the doors. However, the tenants are
23 still having issues and problems with getting repairs
24 done.

2 COUNCIL MEMBER MENDEZ: So there were
3 five MCIs during what length of time?

4 MARCELLA MARTINEZ: Five MCIs I would say
5 maybe over a year or two years. Something like that.

6 COUNCIL MEMBER MENDEZ: Two years. Okay.
7 And the tenants, did any of the tenants file an
8 appeal with DHCR on those MCIs

9 MARCELLA MARTINEZ: We did. Again, some
10 of these systems in place aren't very tenant
11 friendly, but we did. We are now filing with the
12 tenants. We filed lease complaints by since we've
13 been working with the tenants, Dermot--

14 COUNCIL MEMBER MENDEZ: [interposing] No,
15 but I'm talking about the MCIs specifically.

16 MARCELLA MARTINEZ: Okay.

17 COUNCIL MEMBER MENDEZ: So did you file
18 an appeal regarding the MICs with DHCR--

19 MARCELLA MARTINEZ: [interposing] Yes.

20 COUNCIL MEMBER MENDEZ: --for each one of
21 the five different increases?

22 MARCELLA MARTINEZ: Yes, we tried to
23 fight each one. We sent tenants' responses including
24 details of issues and repairs that the tenants
25 needed.

2 COUNCIL MEMBER MENDEZ: And have you
3 heard back on your appeals on any of those five?

4 MARCELLA MARTINEZ: Yes, they were all
5 approved.

6 COUNCIL MEMBER MENDEZ: They were all
7 approved?

8 MARCELLA MARTINEZ: Yes.

9 COUNCIL MEMBER MENDEZ: And so, I guess
10 the next step is an Article 78, which requires a
11 lawyer. Are you talking to anyone, or is someone
12 trying to help you guys get a lawyer?

13 MARCELLA MARTINEZ: So at this point,
14 we're past that opportunity.

15 COUNCIL MEMBER MENDEZ: The next stage.
16 It's more than 120 days?

17 MARCELLA MARTINEZ: Yes.

18 COUNCIL MEMBER MENDEZ: Okay. Got you.
19 Okay, and you--of the MCI, the five MCI increases,
20 were any of the apartments in those building taken
21 out of rent stabilization because of all the
22 increases?

23 MARCELLA MARTINEZ: So not taken out of
24 rent stabilization, but definitely some tenants
25 experienced a burden--

2 COUNCIL MEMBER MENDEZ: [interposing] Uh-
3 huh.

4 MARCELLA MARTINEZ: --that then could be
5 a cause to fall behind in rent, which then would be a
6 non-payment in Housing Court. And then, you know, it
7 just depends if they can afford it or they can't
8 afford it.

9 COUNCIL MEMBER MENDEZ: Can--do you know
10 which of those apartments may soon be deregulated
11 because of all of these increases?

12 MARCELLA MARTINEZ: Not specifically
13 because of the increases, but our understanding is
14 that some of the tenants as a result of those
15 increases have left.

16 COUNCIL MEMBER MENDEZ: Because they
17 couldn't afford it?

18 MARCELLA MARTINEZ: And so, the new
19 tenants that are coming in are also experiencing
20 these types of huge increases that are coming
21 problematic.

22 COUNCIL MEMBER MENDEZ: Okay. And as you
23 were saying, you filed other complaints with DHCR.
24 Is that correct?

2 MARCELLA MARTINEZ: Yes, so what happened
3 was Dermot was just automatically adding the
4 increases--

5 COUNCIL MEMBER MENDEZ: [interposing]
6 Uh-huh.

7 MARCELLA MARTINEZ: --while we were still
8 fighting them. They have since left, and now there's
9 another company. And so, from our understanding and
10 our work that we did, there may be a chance to fight
11 some of the MCIs because the increases weren't
12 applied properly. And so, what we did with the new
13 owners is trying to resolve that issue. And not
14 being able to, we've been forced to submit lease
15 complaints with the state as well as overcharge
16 complaints. Asking the state to review the MCIs,
17 making sure that they're applied properly, and that
18 if there's anything that they're not allowed to
19 collect that that's--that can be made known. And
20 also, you know, again we're talking about almost an
21 average of \$100 per apartment per month.

22 COUNCIL MEMBER MENDEZ: So if you were
23 here earlier, I did ask the Mayor's Office and HPD
24 to-- well particularly the Mayor to negotiate with
25 the State so that we can try to put some limits and

2 some caps on how often you can apply for an MCI. And
3 to limit the percentage so it wouldn't become a rent
4 burden. So, all we can do is hope that we may have
5 some success with that. So that other tenants in the
6 future will not experience what Ms. B has
7 experienced. So we thank you for your testimony.

8 MARCELLA MARTINEZ: [interposing] Well,
9 we thank you for your support.

10 COUNCIL MEMBER MENDEZ: Thank you for
11 your testimony. We're going to call the next panel.

12 JOSEPH ZAPATA: Ms. Mendez, I just wanted
13 to add one--one very important thing, which is
14 they're using language barriers to basically harass
15 people. And the railroad these MCIs, all these new
16 things that are going on. And a lot of people don't
17 understand some of the documentation they're getting
18 because they're sending it to them in English. And
19 they're suing that to hang those very tenants, and
20 get them out. And, you know, something should be
21 done about that. Nobody is enforcing that. I've
22 complained numerous times to various departments and
23 it's been ignored. The MCIs for the work that has
24 not been done over all these years, and now they're
25 doing it. And it's been paid for in the past. And

2 now they're doing it, and now you have to pay these
3 MCIs. And then, Ms. Chair--

4 COUNCIL MEMBER MENDEZ: [interposing]

5 Can I--?

6 JOSEPH ZAPATA: Uh-huh.

7 COUNCIL MEMBER MENDEZ: When you say
8 they're sending them documents, when who is sending
9 what particular documents?

10 JOSEPH ZAPATA: The property owners,
11 whenever there's any--any renewal of the lease, any
12 MCIs or any secession of electricity, you know, now
13 the tenant is going to pay. They're sending it to
14 them in English only, and a lot of people don't
15 understand--

16 COUNCIL MEMBER MENDEZ: [interposing]

17 Okay.

18 JOSEPH ZAPATA: Uh-huh.

19 COUNCIL MEMBER MENDEZ: I get it. So, in
20 this city, and I would need to check in this city.
21 The Mayor, the previous Mayor passed an Executive
22 Order that any documentation or any communications
23 between City agencies need to be made available in
24 the top six languages which is Spanish, Russian,

25

2 Haitian Creole, Mandarin and I can't-- What? I'm
3 missing one. I can't remember.

4 [background comments]

5 JOSEPH ZAPATA: Yiddish?

6 COUNCIL MEMBER MENDEZ: Yeah. No.

7 JOSEPH ZAPATA: No.

8 COUNCIL MEMBER MENDEZ: Maybe Korean. I
9 think you're right. And so, for example if an HPD
10 inspector comes to your home and you speak Spanish.
11 If for some reason that inspector doesn't speak
12 Spanish, they need to hand you a piece of paper, and
13 there's a phone number to the City where they will
14 have translators available. A lot of these
15 documents, the City is making them available in
16 multiple languages. And these are--I--I--in terms of
17 lease renewal because there's, you know, overlap with
18 the State. I'm not quite sure--

19 JOSEPH ZAPATA: [interposing] Correct.

20 COUNCIL MEMBER MENDEZ: --what the
21 process is, but certainly in an immigrant rich,
22 immigrant friendly city we should make sure that our
23 New Yorkers are able to get things in multiple
24 languages. So that's a point well taken.

25 JOSEPH ZAPATA: Yes.

2 COUNCIL MEMBER MENDEZ: Thank you very
3 much.

4 JOSEPH ZAPATA: Thank you.

5 COUNCIL MEMBER MENDEZ: The next panel
6 will be Alexandra Molle, Raphael Gomez Luna; Louis--
7 I'm not sure--Carrillo or Carrello.

8 [background comments]

9 COUNCIL MEMBER MENDEZ: And this is the
10 last panel for the day, and whenever you're ready you
11 could just make sure the red light is on and bright,
12 and that means your microphone is on and you can
13 start giving your testimony.

14 ALEXANDRA MOLLE: Hello. My name is
15 Alexandra Molle [sp]. I live in a rent stabilized
16 apartment. I have been in litigation with my
17 landlord for over six years now. I have had a really
18 hard time with DHCR. They give you the runaround.
19 They don't give you answers. They switch people on
20 you. You get a lawyer that is mediated that she
21 can't even repeat answers over the phone. She leaves
22 the wrong messages for the wrong people on my
23 machine. She disappears for periods of time, and I
24 don't know she is no longer somebody I can speak
25 with. I had the same judge over and over again, but

2 then DHCR doesn't honor what the judge wants done in
3 the apartment in terms of fixing things. So, finally
4 what they do is in my case is they just shut my case
5 down without me really knowing why or having any kind
6 of heads-up about this. And I desperately tried to
7 get them not to close it, but they did putting new
8 people in place that hadn't followed the case all
9 along. So, you get things like asthma attacks. You
10 know, it's incredibly stressful. So they tell you
11 that you have to go through different procedures to
12 reopen the case, which is terribly unfair. I do
13 alone without a lawyer, and you fill out--you do a
14 par. The par should take about three months. Well,
15 it winds up taking them about 13. So, you're at your
16 mailbox everyday, did I get the answer? Did I get
17 the answer? You're stuff is still in boxes? You're
18 still waiting. It could like this. You never know
19 when you have to start clearing a room again to
20 continue work that wasn't finished. I partially won
21 some of the biggest area that needs to be done, which
22 is the floors. But I wouldn't have gotten that had I
23 not fought for it. After that, my only option was
24 Article 78.

2 COUNCIL MEMBER MENDEZ: So I want to
3 focus your testimony because this is about the
4 Housing and Vacancy Survey, and about rent
5 stabilized, a need for rent stabilized

6 ALEXANDRA MOLLE: [interposing]
7 Protection

8 COUNCIL MEMBER MENDEZ: --units and
9 protections. It's not necessarily about repairs,
10 though I understand that rent stabilized tenants are
11 targeted and they either don't get repairs or they
12 get an over zealousness of repairs that is used as
13 harassment.

14 ALEXANDRA MOLLE: It's a total
15 harassment, you see.

16 COUNCIL MEMBER MENDEZ: [interposing] So-
17 -

18 ALEXANDRA MOLLE: And I have inspectors
19 standing there. The inspectors don't work at night.
20 They work only during days. How many days can you
21 take off. So most people are walking away from their
22 problems, and they're leaving their places. That's
23 part of the problem here, and this is not being
24 properly represented. You know, I can't walk

2 barefoot in my apartment because the floors are so
3 bad, but I'm paying rent every month, full rent.

4 COUNCIL MEMBER MENDEZ: And you are a
5 rent stabilized--

6 ALEXANDRA MOLLE: [interposing] Yes.

7 COUNCIL MEMBER MENDEZ: --tenant.

8 ALEXANDRA MOLLE: Yes, yes.

9 COUNCIL MEMBER MENDEZ: Okay.

10 ALEXANDRA MOLLE: And I don't feel that I
11 can turn to the City, and I don't feel that I can
12 turn tot he State. And as I've said, it's been over
13 six years. I have a friend who called because he
14 wasn't getting proper heat. He called the City, 311.
15 The City showed up. The next thing he knows is the--
16 the apartment is illegal. They put a notice on his
17 door. He has two weeks to evict. Now, how do you do
18 that to someone. That's the City doing it to you.

19 [bell]

20 COUNCIL MEMBER MENDEZ: Yes, and that is
21 based on the landlord's illegal actions.

22 ALEXANDRA MOLLE: Yes.

23 COUNCIL MEMBER MENDEZ: So they're
24 illegally renting an apartment.

25

2 ALEXANDRA MOLLE: [interposing] Yes, and
3 this is not the--

4 COUNCIL MEMBER MENDEZ: And that,
5 unfortunately, under the City laws the person may be
6 at risk living in those apartments. And so, we end
7 up on the part of the City hurting people that we're
8 supposed to be protecting, unfortunately.

9 ALEXANDRA MOLLE: Two--two weeks notice
10 in the middle of the winter? You don't have heat.
11 He's never going to call 311 again. That's for sure,
12 and I now finally have after four months my response
13 from--from the State and I just--I--I haven't it yet.
14 I did an Article 78 on my own. I cannot tell you how
15 stressful that was. I wound up in the emergency room
16 after I delivered everything where it needed to go.
17 I didn't want to ruin my weekend. I mean it's--

18 COUNCIL MEMBER MENDEZ: [interposing]

19 What-

20 ALEXANDRA MOLLE: --just so stressful.

21 COUNCIL MEMBER MENDEZ: What borough do
22 you live in?

23 ALEXANDRA MOLLE: Queens.

24 COUNCIL MEMBER MENDEZ: Okay, I can talk
25 to you after this hearing is over just to make sure

2 that we can set you up with a community-based
3 organization that helps tenants, and to determine who
4 your council person is and see how that--that person
5 can also help you. Okay. So, is there anything else
6 you want to say about rent stabilization?

7 ALEXANDRA MOLLE: Definitely, we need
8 protections. I'm all for it. I mean that's the last
9 thing. I'm clinging by that, but the City and the
10 State have to clean their own agencies up. Because
11 some of us cannot turn to the agencies that are
12 supposed to be protecting us. And someone has to
13 have the courage to say, this has been my experience,
14 and this needs to be fixed.

15 COUNCIL MEMBER MENDEZ: Thank you very
16 much for your testimony.

17 ALEXANDRA MOLLE: Thank you.

18 COUNCIL MEMBER MENDEZ: Okay. Whoever is
19 ready on the panel.

20 RAPHAEL GOMEZ LUNA: Good afternoon. My
21 name is Raphael Gomez Luna. I've been a tenant
22 housing advocate for about ten years, and today I'm
23 here with Los Inquilinos Unidos, Tenants United. And
24 I'm definitely pro-strength preservation, and maybe
25 increase of the housing laws. Because those are the

2 ones that are going to preserve the people that I met
3 when I came over here 40 years ago as an immigrant
4 who didn't know how to speak English, and they opened
5 their arms to me. And to see that these people are
6 not going to be able to stay in this city and to die
7 in this city, as I would love to die in this city.
8 And I'm scaring myself. It's just terrifying. I had
9 the privilege of having been able to socialize with
10 people from different levels and ethnicities in New
11 York City. And we have a tendency to think that
12 it's only the low-income people who are affected by
13 all of this gentrification. But it's people that pay
14 in \$5,000 and \$10,000 who feeling it. There's a lot
15 of stress New York. It's because rent is the first
16 thing that comes into the play when we are trying to
17 provide for our family. Rent income, which is not
18 going up and education. And they go hand-in-hand.
19 So definitely, we have to strengthen our housing
20 laws, and we have to get rid of the vacancy de-
21 control. And we just have to let everybody to know
22 it is all about New Yorkers. 99% of the population,
23 economical practice we're suffering because of these
24 housing problems. Thank you.

25 COUNCIL MEMBER MENDEZ: Thank you. Next.

2 LOUIS CARRILLO: Good afternoon. My name
3 is Louis Carrillo, a long-time resident of Brooklyn.
4 I'm here today to tell you my story, and put a face
5 on the thousands of lives that are affected by the
6 rent regulation or lack thereof. I live in an eight-
7 unit rent stabilized building on Rogers Street in
8 East Williamsburg with loving parents, Martin and
9 Lisa. This is the place we have called home for the
10 last 26 years. My father Martin not only helped
11 raised the family there, but he has dedicated these
12 past 26 years to being the super for this building.
13 Which he worked hard to care for and protect keeping
14 it safe for us and its tenants. Since 1989, my dad
15 has been the super there, and my father had been
16 paying the preferential rent. Until a letter came in
17 January of this very year stating that the building
18 was sold. My father was removed as super, and will
19 soon be required to pay the so-called legal rent of
20 \$2,410, bringing it very close to destabilization.
21 Our family reached out for help and, Los Sures South
22 Side United has been supporting us throughout this
23 stressful journey. Together, we found out that there
24 were major discrepancies in the rent history for our
25 apartment. The skyrocketing illegal increases for

2 the registered legal rent targeted at moving the
3 apartment rent stabilization. With no way of paying
4 for this rent, we face the imminent danger of being
5 evicted. However, I'm not here to tell your story of
6 defeat. Our family will continue to fight to
7 preserve the life and home we have created for the
8 past 26 years. And I call on you today to continue
9 to fight with us to preserve and improve the rent
10 regulation laws that can and will protect us from
11 being out on the streets. Our story is one of many,
12 but at least we have hope, and the rent regulation
13 being strengthened as we need. The rent regulations
14 protects more than just affordable housing. They
15 protect all the residents of our communities, and
16 give hope to all tenants that they are protected in
17 the eyes of the law and have the indelible right to
18 stay in their homes. Thank you.

19 COUNCIL MEMBER MENDEZ: I want to thank
20 this panel for your testimony. So that was the last
21 person who indicated that they were going to testify.
22 I will just quickly, if you didn't get a chance, and
23 you do want to say something on the record this is
24 it. Okay. Sir, you're going to need to fill out a
25 form. Okay.

2 [background comments]

3 COUNCIL MEMBER MENDEZ: The sergeant will
4 get it for you. But go sit down and start your
5 testimony. Don't forget to identify yourself for the
6 record. Make sure the red light is turned on, and
7 you can begin your testimony.

8 [pause]

9 ANREAS MORRIS MORROW: My name is Andreas
10 Morris Morrow [sp?]. I'm a tenant advocate with the
11 Fifth Avenue Committee in Brooklyn. We work hand-in-
12 hand with Neighbors Helping Neighbors. I came with
13 this group of tenants who are from Sunset Park, Park
14 Slope, Gowanus, different parts of that--that section
15 of Brooklyn. I've done tenant advocacy for a few
16 years. So, it's clear to me that, you know, the
17 Republican Right accuses people who want reforms to
18 be engaged in class warfare. It's like one of the
19 chivalrous--it's one of these terms that they throw
20 out to scare people. But the fact is that here in
21 this city, it's class warfare that's directed by
22 those who have practically everything that you could
23 ever want against those who are barely hanging on.

24 And I really think that the stress that
25 you see on people's faces-- I came to this hearing

2 this morning on the train like everyone else, and
3 there was a young Latino kid. And I was thinking,
4 you know, what kind of future does the next
5 generation face with these skyrocketing rents? You
6 are the political actors. I sometimes get very
7 annoyed with the way in which our communities defer
8 to politicians because I think it's reversed. I
9 think that the politicians are elected to serve
10 communities, and that we--we should constantly hold
11 politicians accountable. A Mexican woman, an
12 immigrant, recently told me in Spanish--I'm not going
13 to say it in Spanish--but it's hard to-- You can't
14 survive. [Speaking Spanish] You can't survive a
15 shot of money, a cannon shot of money. I think that
16 the landlord class is so powerful here in this city
17 that they bend the elected officials to their will.
18 And we--how long are we going to stand for this.

19 We become complacent. We become docile.
20 I think that these laws have to be strengthened, but
21 we also have to in our communities get ready for
22 what's coming around the corner, which is that if we
23 do get defeated, this time around, if you don't get
24 strength in the next six years we're going to see
25 massive--massive numbers of people hitting the

2 streets. It's 59,000 people--I don't know how many
3 people are homeless right now in New York City, but
4 it's something that you see as a general trend. Our
5 communities are resourceful. I think that we should
6 start thinking beyond what's happening tonight. It's
7 very important today--it's very important that we win
8 these changes in Albany. But if we don't, we also
9 need to be thinking about how we're going to preserve
10 New York City as a livable place for working-class
11 people.

12 COUNCIL MEMBER MENDEZ: All right. I
13 want to thank you for your very eloquent testimony,
14 and I want to respond as a former tenant organizer
15 before Vacancy Decontrol was put in place. And as a
16 tenant lawyer working at Legal Services after Vacancy
17 Decontrol was put in place and now as an elected
18 official. As a tenant organizer, I worked with lots
19 of associations. So we were able to stop evictions
20 and to get a lot of results done. The laws were
21 stronger. When I graduated as a lawyer, and I
22 started practicing, I felt that as a lawyer, I had
23 less tools to help tenant, and as an elected official
24 I can tell you that there is nothing more important
25 to me and to a lot of my colleagues than affordable

2 housing and people having a place to live. That
3 decision isn't determined by us here in the City
4 Council. This hearing today is to ask the State to
5 renew the laws. And so, unfortunately, those
6 decisions are made by I will say it, a dysfunctional,
7 bi-panel legislature. You have to get a pass by the
8 State Senate and the State Assembly. Usually a pass
9 is one house and not the other, and also you have a
10 whole bunch of people voting on this Upstate who
11 don't even have one tenant living in their district.
12 But they get a lot of donations from the real estate
13 industry. And that is unfortunately the reality
14 we're working with. These laws we used to in the
15 City have control over rent control and rent
16 stabilization, and after the fiscal crisis of 1970s,
17 the State took that power. They also took the MTA.
18 They took a bunch of things, and I think we've been
19 doing pretty well in the City and we should be able
20 to legislate these laws. But they like keeping
21 control up there. And until they're willing to give
22 it back to us here in the city, we have to resort to
23 holding these hearings, and then making a
24 recommendation to them to renew the laws. Sometimes
25 word it down as it was back in 1993 and '94, and

2 hopefully with the assistance of the Mayor's Office
3 hopefully maybe we can get something stronger this
4 year.

5 ANREAS MORRIS MORROW: I didn't mean in
6 any way to disparage our politicians. You know, I
7 think going--

8 COUNCIL MEMBER MENDEZ: [interposing] No,
9 no.

10 ANREAS MORRIS MORROW: --back to Shelly
11 Silver. [sic]

12 COUNCIL MEMBER MENDEZ: No, no some
13 people can be disparaged. [laughs]

14 ANREAS MORRIS MORROW: I thinking about
15 Shelly Silver--

16 COUNCIL MEMBER MENDEZ: [interposing] But
17 I just didn't--

18 ANREAS MORRIS MORROW: --and the Patakis
19 and the--well, the Cuomos who, you know, they say
20 that they with us-- Well, not Pataki, but they say
21 that they're with us one day and the next day, they
22 stab us in the back.

23 COUNCIL MEMBER MENDEZ: So, yes, and
24 sometimes I just wanted to put that on the record
25 because sometimes people don't understand our limited

2 role and how we got there. And, you know, even
3 though we at the City level care very much about
4 this, and would like to not just renew the laws but
5 strengthen them, we are at the mercy of the State.
6 And, you know, some of our State representatives, at
7 least who are on the city level, are more in tune
8 with the problems we have here in the city as opposed
9 to their colleagues that represent other parts of the
10 state. And, unfortunately that's all our burdens,
11 tenants and legislators to deal with. So I thank you
12 for spontaneously getting up and speaking.

13 ANREAS MORRIS MORROW: [interposing] So
14 that's just it just it mostly. [sic]

15 COUNCIL MEMBER MENDEZ: And you brought
16 some really good points forward. So we're going to
17 be ending this hearing. We received testimony by
18 REBNY, the Real Estate Board of New York and that
19 testimony has been submitted into the record. And
20 this meeting is adjourned. [gavel] Thank you.

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1 COMMITTEE ON HOUSING AND BUILDINGS

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C E R T I F I C A T E

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



Date March 7, 2015