

CITY COUNCIL  
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS

----- X

May 11, 2015  
Start: 10:03 a.m.  
Recess: 10:18 a.m.

HELD AT: 250 Broadway- Committee Rm, 16<sup>th</sup> Fl.

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

COUNCIL MEMBERS:

ANTONIO REYNOSO  
ERIC A. ULRICH  
HELEN K. ROSENTHAL  
KAREN KOSLOWITZ  
MARK LEVINE  
RAFAEL L. ESPINAL, JR.  
RITCHIE J. TORRES  
ROBERT E. CORNEGY, JR.  
ROSIE MENDEZ  
YDANIS A. RODRIGUEZ

[gavel]

CHAIRPERSON WILLIAMS: Good morning everyone and thank you for coming. My name is Council Member Jumaane Williams, Chair of Committee on Housing and Buildings. I'm joined today by Council Members Levine, Espinal, Torres, Koslowitz, and Mendez. At today's hearing we'll vote on proposed Intro number 22, 222A and proposed Intro number 592A. Proposed Intro number 22A was introduced by Council Member Rosie Mendez at the request of the Manhattan Borough President. This legislation will require landlords to provide building applicants with 24 hours' notice prior to performing work which will cause an interruption in building services expected to last for at least two hours. When work is performed on an emergency basis and results in a service interruption which lasts for two or more hours' notice would have to be posted as soon as practicable after the commencement of such interruption. I would now like to call on my colleague Council Member Mendez to say a few words about legislation.

COUNCIL MEMBER MENDEZ: Thank you Mr. Chair. This legislation is a piece of legislation

1  
2 that now Manhattan Borough President Gale Brewer,  
3 then Council Member Gale Brewer worked on for many  
4 years. I'm very proud to have worked with her on  
5 this and with HPD and DOB to get this bill to a  
6 place where we're all feeling much better with it.  
7 And it is not too onerous but does serve a very  
8 important purpose of letting tenants know about  
9 service interruptions in their building. Secondly  
10 since my chair has been very kind to me for the  
11 last few years in singing me happy birthday I will  
12 refrain from singing because if you've heard me  
13 sing before you'll be very happy. But I do want to  
14 wish the chair and my friend a very happy birthday  
15 today. And if anyone wants to sing you're all  
16 welcome to do it. And I don't know if we're going  
17 to have any fireworks or anything though. Five  
18 minutes, we'll have a little fireworks after we  
19 take the vote.

20 CHAIRPERSON WILLIAMS: Thank you Council  
21 Member. Thank you very much for the wonderful  
22 wishes. Much appreciated. We've been joined by  
23 Council Member Johnson and we are also here to vote  
24 on proposed intro number 592A sponsored by Council  
25 Member Johnson's legislation would require a study

1  
2 of the effects of hotel conversions on the city's  
3 economy including its effects on employment. For a  
4 period of two years while he study's conducted and  
5 its results considered the legislation would limit  
6 the ability of owners of large hotels in Manhattan  
7 to convert hotel space to other uses. The bill  
8 would allow owners to apply to the Board of  
9 Standards and Appeals for waiver of the conversion  
10 limit by showing the board that their hotel was  
11 unable to earn a reasonable financial return. This  
12 legislation also provides an exemption for recently  
13 purchased hotels where the new owner can show the  
14 board that he or she bought with the intent to  
15 convert the hotel. I'd like to ask Council Member  
16 Johnson if he had a few words to say..

17 COUNCIL MEMBER JOHNSON: Thank you Chair  
18 Williams for all of your work in getting us to this  
19 point today. And happy birthday. And for holding  
20 this vote. Intro 592 as the chair said will  
21 preserve good and middle class jobs in the hotel  
22 industry, jobs that are falling by the wayside as  
23 luxury hotels convert their units and a high end  
24 condominiums and it will also ensure that the  
25 tourism industry which is so critical to our

1  
2 economy and to the central business district is not  
3 eroded. It will accomplish this by stemming the  
4 tide of widespread hotel conversions by imposing a  
5 two year moratorium while allowing owners to appeal  
6 to the BSA if they need an exemption. This  
7 moratorium on conversions that have not yet been  
8 contemplated will allow us in consort with city  
9 agencies to determine a long term fix to protect  
10 vibrant neighborhoods, local businesses, the  
11 tourism industry, and good  
12 middle class jobs. There is evidence that the trend  
13 to convert hotels into high-end luxury residential  
14 units in New York City is set to soon accelerate.  
15 There have been recent reports of four full service  
16 union hotel properties. The Ritz Carlton Batter  
17 Park, The W downtown, the Helmsley Park Lane, and  
18 the Waldorf Astoria. We'll likely go through  
19 substantial condominium conversions soon. While  
20 some of the immediate plans are currently calling  
21 for partial conversion, full conversion of all four  
22 properties would result in the loss of 1,852 union  
23 hotel jobs doubling the amount of jobs lost to  
24 conversions since 2003. Hotel conversions have lost  
25 the city over a thousand jobs to this practice in

1  
2 the last decade. And this trend is in dire risk of  
3 accelerating. This is not mere speculation. The new  
4 owner of the Waldorf Astoria has claimed that a  
5 large portion of the hotel will be converted into  
6 luxury apartments. Right now the Waldorf has 1,235  
7 rooms and employs over 1,250 union members. Even if  
8 one quarter of those rooms are converted we are  
9 talking about hundreds of union jobs lost. The Ritz  
10 Carlton Battery Park City may convert into  
11 condominiums which would take away 298 hotel rooms  
12 and over 250 union jobs. There, these jobs are jobs  
13 who should fight to preserve and protect. They are  
14 jobs that pay a decent wage while both, while  
15 bolstering our tourism industry allowing our hotels  
16 to go the way of condo will have serious  
17 consequences on income disparity in our city.  
18 Luxury hotel jobs have served our citizens as a  
19 pathway from poverty into the middle class. But we  
20 will only reverse that if this trajectory is  
21 allowed to accelerate. We will not turn back the  
22 clock on these projects which under the revised  
23 bill will be allowed to move forward as the owners  
24 intended. But we can and will stem the tide of  
25 further and economic job loss. Though tells jobs

1  
2 offered a smaller service... the hotel jobs offered  
3 at smaller service in boutique hotels are poverty  
4 wage jobs plain and simple. According to the  
5 partnership for New York, New York City lost over a  
6 hundred thousand middle class jobs since 2008 which  
7 were replaced by jobs that paid less than 35  
8 thousand dollars a year. We need to make certain  
9 that middle class jobs we have like those in the  
10 hospitality industry are attained. There also  
11 exists an economic need to continue to have  
12 business travels and tourists stay in areas where  
13 non-primary residents super luxury condo investment  
14 vehicles are squeezing out other issues. Our hotels  
15 are the backbone of our flourishing tourism  
16 industry which is critical not only to the city's  
17 bottom line but the countless restaurants, small  
18 businesses, and vendors that occupants of these  
19 hotel rooms. Frequent reducing inventory of full  
20 service hotels will have a negative fiscal impact  
21 on the city's finances. We don't want entire  
22 Manhattan blocks devoted to ultra-luxury condo for  
23 the world's .01 percent. Blocks devoted to  
24 extremely large, super expensive, and sometimes  
25 occupied investment condos would be bad for local

1  
2 business, and turn neighborhoods into ghost towns  
3 thus the city council hereby declares that it is  
4 imperative that the steps be taken to preserve the  
5 composition of the existing hotel stock in our  
6 city. I want to thank my legislative director Louis  
7 Cholden Brown [sp?], committee councils Jen Wilcox  
8 and Sheshoo Codrey [phonetic], policy analyst Jose  
9 Condey [phonetic] and Guirmo Patino [sp?], West  
10 Jones, Ed Atkins, and Jeff Baker on their hard work  
11 on the spill. And I also want to thank Matt Gowabin  
12 [phonetic] Laura Popa [sp?] for your spirit through  
13 all of this. And it has been a very long process.  
14 Thank you Mr. Chair for the opportunity to speak  
15 today.

16 CHAIRPERSON WILLIAMS: Thank you Council  
17 Member Johnson. And thank you all for the work you  
18 did in brining this to where we are now. I know  
19 there's a lot of effort that was put into this. I'd  
20 like to thank my staff for the work they did to  
21 assemble this hearing including Nick Smith my  
22 deputy chief of staff, Jen Wilcox council to the  
23 committee, Guiermo Patino and Jose Condey [sp?]  
24 policy analyst to the committee, Sara Gastalum  
25 [phonetic] the committee's finance analyst. Finally



1  
2 I'd like to say thanks. Congratulations again to  
3 both of my colleagues, Council Member Mendez and  
4 Johnson and encourage my colleagues to vote aye on  
5 all of the legislation we're voting on today. With  
6 that said I'd like to ask the clerk to please call  
7 the roll.

8 COMMITTEE CLERK MARTIN: William Martin,  
9 Committee Clerk. Roll call vote, Committee on  
10 Housing and Buildings. Introductions 222-A and 592-  
11 A. Items are coupled. Chair Williams.

12 CHAIRPERSON WILLIAMS: Aye.

13 COMMITTEE CLERK MARTIN: Mendez.

14 COUNCIL MEMBER MENDEZ: Aye.

15 COMMITTEE CLERK MARTIN: Koslowitz.

16 COUNCIL MEMBER KOSLOWITZ: May I be  
17 excused to explain my vote?

18 CHAIRPERSON WILLIAMS: Yes.

19 COUNCIL MEMBER KOSLOWITZ: I support  
20 these two bills but people have approached me about  
21 the legal aspect of 592. Have we looked into this  
22 and..

23 CHAIRPERSON WILLIAMS: Yes there, there,  
24 there has been a lot of conversation about the  
25 legality. I'll let Council Member Johnson speak but

1  
2 I believe one of the concessions was to have the  
3 study put in while we're, while we're doing this  
4 and, and people are waiting there will be a study  
5 to figure out what the impacts actually are. But  
6 there have been some questions. There's always a  
7 lot of questions around some of the bills that we  
8 passed but I'll let Council Member Johnson speak on  
9 it.

10 COUNCIL MEMBER JOHNSON: Thank you  
11 Council Member Koslowitz. Yes this bill, I think  
12 the previous version, there were some concerns  
13 about the legality of the legislation. We pushed  
14 this off from the last stated meeting to this  
15 stated meeting to give the council and the  
16 administration time to work with the law  
17 department. The city's law department, I don't want  
18 to speak for them but my understanding is they are  
19 now comfortable with the bill in its present form.  
20 There may be litigation but the law department  
21 feels like we're in a good place in being able to  
22 say that what we're doing is legal.

23 COUNCIL MEMBER KOSLOWITZ: Thank you  
24 very much. I vote aye.

25 COMMITTEE CLERK MARTIN: Espinal.

1  
2 COUNCIL MEMBER ESPINAL: Just wanted to  
3 echo the concerns that Karen Koslowitz has but I  
4 just want to also say this is a great bill and I  
5 vote aye on both.

6 COMMITTEE CLERK MARTIN: Levine.

7 COUNCIL MEMBER LEVINE: I vote aye.

8 COMMITTEE CLERK MARTIN: Torres.

9 COUNCIL MEMBER TORRES: I vote aye.

10 COMMITTEE CLERK MARTIN: Ulrich.

11 COUNCIL MEMBER ULRICH: I'm voting aye.

12 But I, I wanted to clarify. I know I got here late  
13 and I apologize to the chair. I am voting in favor  
14 of the bill. I told the main sponsor I was voting  
15 in favor of the bill but I was concerned originally  
16 about why this was not going to be a full ULERP and  
17 why we were doing this legislatively instead. And  
18 has the law department had a chance to review that?

19 CHAIRPERSON WILLIAMS: Yeah Council  
20 Member Johnson just responded to that but..

21 COUNCIL MEMBER JOHNSON: Yes thank you  
22 Council Member Ulrich. The answer is yes we pushed  
23 this off from the last stated meeting to this  
24 stated meeting to give the councils legislative  
25 policy and legal division time to work with the

1  
2 administration and the law department. I don't want  
3 to speak for the law department but my  
4 understanding is is they are now comfortable with  
5 the legality of this bill.

6 COUNCIL MEMBER ULRICH: I'm voting aye.  
7 Thank you.

8 COMMITTEE CLERK MARTIN: By a vote of  
9 seven in the affirmative, zero in the negative, and  
10 no abstentions both items have been adopted.

11 CHAIRPERSON WILLIAMS: Going to hold over  
12 for two minutes at 10:45. We'll close out and start  
13 the new hearing. I'm sorry 10:15 according to that  
14 clock.

15 COMMITTEE CLERK MARTIN: Council Member  
16 Rosenthal.

17 COUNCIL MEMBER ROSENTHAL: [off mic]  
18 Yes.

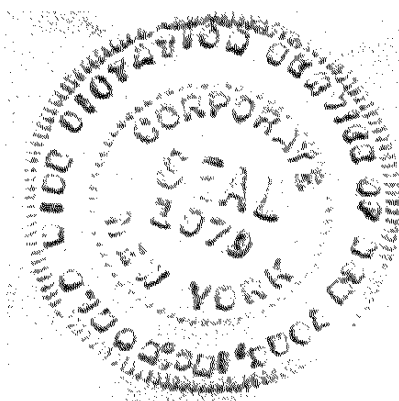
19 COMMITTEE CLERK MARTIN: Vote now stands  
20 at eight in the affirmative.

21 CHAIRPERSON WILLIAMS: Thank you. And  
22 with that vote the hearing is now closed.

23 [gavel]  
24  
25

C E R T I F I C A T E

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



Date May 15, 2015