

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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June 10, 2015
Start: 10:35 a.m.
Recess: 10:58 a.m.

HELD AT: 250 Broadway - Committee Room
16th Floor

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

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

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

Rafaela Zapata
Housing Paralegal
New York Legal Assistance Group

Akina Younge
Paralegal & Intake Outreach Coordinator
Community Development Project
Urban Justice Center

2 [sound check, background comments, pause]

3 [gavel]

4 CHAIRPERSON WILLIAMS: Good morning
5 everyone, and thank you for coming. My name is
6 Council Member Jumaane Williams, the Chair of the
7 Committee on Housing and Buildings. I'm joined today
8 by Council Members Ulrich, Mendez, Rodriguez,
9 Koslowitz, Cornegy, Espinal, Rosenthal, Torres and
10 Reynoso.

11 COUNCIL MEMBER: Wow.

12 CHAIRPERSON WILLIAMS: Definitely a wow.
13 At today's hearing, we will consider a pre-a
14 preconsidered resolution calling New York State to
15 pass and the Governor to sign Assembly 7526 in
16 relation to strengthening the rent regulations. New
17 York State passed Assembly A.7526 on May 19th, 2015.
18 As you all know, the rent regulations system is
19 currently set to expire on June 15th, 2015. Even if
20 rent regulation is extended, which we do not want.
21 It has to be strengthened, the system still requires
22 significant improvements in order--in order to
23 protect our rent regulated housing stock for years to
24 come. First and foremost, the City is losing far too
25 many units to deregulation. Under the current

2 regulation--current rent regulation system, units may
3 be deregulated when the rent hits \$2,500 a month and
4 the tenant vacates the unit. Since 1994, vacancy
5 decontrol has resulted in the loss of almost 14,000
6 rent-stabilized units. Part of the reason that so
7 many deregulated units have been deregulated is that
8 state law provides owners with a number of ways to
9 increase their rent, including major capital
10 improvement increases, individual apartment
11 improvement increase, and a 20% vacancy bump.

12 Second, the current rent regulation
13 system fails to provide stability and safe housing
14 for tenants. Under current law, upon a leasing a
15 unit [sic] an owner can raise the rent in a rent in a
16 regulated--in a rent-regulated unit from a
17 preferential rent to a legal rent. At the same time,
18 tenants in former Mitchell-Lama and Section 8 rental
19 buildings may face steep rent increases when their
20 owner decides to remove these buildings from these
21 programs. If these changes result in rent that is
22 more than a tenant can afford, the tenant may be
23 forced to leave their home.

24 For all of these reasons, I am happy to
25 be here today to consider this preconsidered res--

2 resolution in support of A.7526.. [off mic] Where
3 is that? [on mic] As many of you know, the Council
4 previously passed a package of resolutions calling on
5 New York State to strengthen the Legislature to a new
6 and strengthen rent regulations. [off mic] Is it
7 this the one? [on mic] One of the resolutions, Reso
8 No. 596-A supported repealing vacancy control, a vote
9 that did not--that's what the Council still would
10 prefer. The bill we're hearing today is the version
11 of the Assembly Bill that is the best one that is
12 there that calls for the raising of the cap. In
13 addition to pushing back the expiration date for rent
14 regulation to June 15th, 2019, the bill would
15 increase the amount of rent for vacancy deregulation
16 to \$3,500; reduce the size of the vacancy lows from
17 20% to 7.5%. Allow the city to expand regulation to
18 housing accommodation that cease or have ceased to
19 the Mitchell-Lamas or to receive project based
20 Section 8 Rental Assistance. Protect tenants from
21 preferential rent, and require that major capital
22 improvements to be charged as a temporary rent
23 surcharge and not a permanent rent increase. These
24 needed reforms would ensure that tenants live--living
25 in the more than one million households currently

2 under rent regulation system would not lose their
3 protections against arbitrary evictions and large
4 scale rent increases.

5 I'd like to thank my staff for the work
6 they did to assemble this hearing including Nick
7 Smith, my Deputy Chief of Staff; Jim Wilcox, Counsel
8 to the Committed; Guillermo Patino and Jose Conde,
9 Policy Analysts, and to the--to the Committee--and
10 Sarah--Sarah Gastelum, the Committee's Finance
11 Analyst. I want to thank the Speaker for her
12 leadership on this issue, and I ask that my name be
13 added to this reso. Many people have heard that
14 Governor Cuomo has finally joined us in asking for
15 the laws to be strengthened. I believe that we
16 should not accept a full extension, and if only a
17 full extension is offered, we should reject it. And
18 call the Governor to hold to what he said possibly
19 call an emergency in the city. And allow us to
20 extend--strengthen the laws in the city until the
21 emergency is over. So my hope is that the Assembly
22 will stand strong and make sure that the only thing
23 we accept is a strengthened rent law.

24 With that said, I'm going to call up our
25 first and only panel. I would like to remind

2 everyone who would like to testify today to please
3 fill out a card with sergeant. Today we have two
4 people testify, Rafaela Zapata, New York Legal
5 Assistance Group.

6 RAFAELA ZAPATA: [off mic] Good morning.

7 CHAIRPERSON WILLIAMS: Good morning.

8 Akina Younge from the Urban Justice Center. We'll
9 call them up. Those are the only two people. We'll
10 give them three minutes each, and then we'll vote.
11 Unfortunately, my colleagues I know that you have
12 some other hearings, but we do have to have the
13 testimony before we vote. And then we'll vote
14 shortly after.

15 [pause]

16 CHAIRPERSON WILLIAMS: Can you both raise
17 your right hand, please. Do you affirm to tell the
18 truth, the whole truth, and nothing but the truth in
19 your testimony before this committee, and to respond
20 honestly to council member questions?

21 PANEL MEMBERS: [off mic] I do.

22 CHAIRPERSON WILLIAMS: You each have
23 three minutes, and you can begin in order of your
24 preference.

25 [pause]

2 RAFAELA ZAPATA: Can you hear me?

3 CHAIRPERSON WILLIAMS: Yes.

4 RAFAELA ZAPATA: Okay. Chair Williams,
5 council members and staff. Good morning and thank
6 you for the opportunity to testify about the
7 Preconsidered Resolution call the Albany New York
8 State Senate to pass and the Governor to sign A.7526,
9 a regulation strengthening rent regulation. My name
10 is Rafaela Zapata and I'm a Housing Paralegal for the
11 New York Legal Assistance Group, a non-profit
12 organization dedicated to provide free legal services
13 in civil law matters to low-income New Yorkers. I am
14 testifying in support of the aforementioned
15 resolution and in support of sustaining and
16 strengthening New York's rent regulation rules.
17 Poverty in New York City is rampant, and the homeless
18 population including thousands and thousands of
19 children is at an all-time high. Approximately
20 60,000 New Yorkers including 20,000 children
21 currently reside in shelters. Neighborhoods are
22 gentrifying at an unprecedented rate. The Section 8
23 wait list is closed, and the rental amount for feds
24 [sic] eligibility are unrealistically low. This many
25 and various pressures on New York City tenants make

2 this an especially crucial environment to maintain
3 affordable rent for rent stabilized families allowing
4 them to remain in their homes and communities.

5 To that end, in addition--in addition to
6 maintaining affordable housing stocks and regulating
7 rent, I would like to emphasize that stabilized
8 housing also provides a stability for families, the
9 vast majority of whom are low income. Neighborhoods
10 are also stabilized, and those stabilized tenants
11 have the right to renew their leases every one and
12 two years. Unlike market housing where tenants have
13 little to no protection from being evicted upon the
14 expiration of their leases. NYLAG, New York Legal
15 Assistance Group Housing Project represents tenants
16 in Housing Court and before various agencies in five--
17 -in the five boroughs. Currently, most of our cases
18 are in Queens where we have a satellite office in the
19 Queens Housing Court that works with hundreds of--
20 hundreds of tenants every year. In Queens we see
21 many cases where non-rent stabilized tenants and
22 clients [sic] are constantly forced to move from one
23 apartment to another. Often, annually leaving
24 neighborhoods, friends, families, services and
25 medical providers, and forcing children to constantly

2 change schools, which is not funny at all. We also
3 see a lot of these families unable to find apartments
4 or houses once their leases expires, and as such,
5 they go to Housing Court where they are sometimes
6 able to gain some time to move. But often with that
7 additional time, they are still unable to find
8 another apartment to move, and end up entering the
9 shelter system. It is clear that there is an
10 inadequate amount of affordable housing available,
11 and as the rent stabilization program ages, and the
12 stabilized units are constantly lost, this crisis
13 will worsen. Therefore, we support the passage of
14 this resolution in extending [bell]-- Sorry.

15 CHAIRPERSON WILLIAMS: [off mic] You can
16 finish.

17 RAFAELA ZAPATA: --in extending as well
18 as strengthening the rent stabilization law. We
19 support making any MCI surcharges done prior,
20 reducing the amount of the current vacancy percentage
21 increase. Lowering the annual percentage increases
22 in rent controlled apartments to align with the
23 federalized ones--

24 CHAIRPERSON WILLIAMS: [interposing]
25 Okay.

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2 RAFAELA ZAPATA: --and returning
3 deregulated units back--

4 CHAIRPERSON WILLIAMS: [interposing] Can
5 you wrap it up?

6 RAFAELA ZAPATA: --deregulated units back
7 into rent stabilization. However, we would like also
8 to urge the Council to support eliminating all
9 vacancy decontrol and think about how to lower back
10 rents that are already too high in conjunction--in
11 conjunction with the State and other matters that
12 affects rents and the small landlords.

13 CHAIRPERSON WILLIAMS: Thank you very
14 much.

15 AKINA YOUNGE: Hi. My name is Akina
16 Younge. I am a paralegal and an Intake Outreach
17 Coordinator of the Community Development Project of
18 the Urban Justice Center. The Community Development
19 Project formed in September 2001 to strengthen the
20 impact of grassroots organizations in New York City's
21 low-income and other excluded communities. Our work
22 is informed by the belief that real and lasting
23 change in low-income urban neighborhoods is often
24 rooted in the empowerment of grassroots community
25 institutions. For more than ten years, CDP has

2 offered legal services in support on housing issues
3 to community non-profits, group cases, and
4 individuals in low-income New York City
5 neighborhoods. The housing practice of CDP has sued
6 hundreds of landlords on behalf of thousands of New
7 York City residents to help preserve the affordable
8 housing stock in New York City. In this work, we've
9 really noticed that the only way to curb displacement
10 harassment and eviction of rent-regulated tenants is
11 a full appeal of vacancy deregulation.

12 That being said, we do understand that
13 the New York State Assembly Bill A.7526 is the one
14 that has passed. We want to again encourage that
15 some way is found to fully repeal vacancy decontrol
16 being as that is the root cause of displacement.
17 Being that that is really the root cause that allows
18 all the other loopholes to have effect and be so
19 dangerous for New York City tenants. With that being
20 said, again, we know that the New York State Bill
21 A.7526 is what has been passed by the Assembly and we
22 do need legislators--state legislators to act before
23 June 15th. We understand that this is an improvement
24 of the existing law, and that some of the loopholes
25 are addressed, but we still want to just reinforce

2 the fact that the real root cause--the biggest,
3 baddest part of the weakness of the rent
4 stabilization law is vacancy decontrol.

5 CHAIRPERSON WILLIAMS: Thank you very
6 much. Do any of my colleagues have any questions for
7 the panel? Council Member Ulrich.

8 COUNCIL MEMBER ULRICH: I have a question
9 maybe because you--you work in the field and may be
10 able to clarify this. What--what are the differences
11 between rent-controlled apartments and rent
12 stabilized apartments? Are they different? Can both
13 of them exist in the same buildings--in the same
14 building? And then also, how is a tenant--how do the
15 rents--how are the rents raised for each, and how can
16 a tenant be evicted? How has it changed in terms of
17 the eviction process for tenants in--in each
18 respective type of apartment?

19 AKINA YOUNGE: I can answer that. So, in
20 terms of rent control and rent stabilization they are
21 two different types of housing and they can co-exist
22 in the same building.

23 COUNCIL MEMBER ULRICH: But one--but one
24 of them the rents are raised by the Rent Guidelines
25 Board and the other is raised how? What is the--?

2 AKINA YOUNGE: So, yeah, rent stabilized
3 apartments, they are raised by the Rent Guidelines
4 Board.

5 COUNCIL MEMBER ULRICH: [interposing]
6 Right.

7 AKINA YOUNGE: They can also be raised by
8 MCIs, preferential rent loopholes, IAIs, a whole
9 suite of sort of issues that I discussed in A.7526.
10 Rent control tenants I am honestly a little bit less
11 familiar with rent control, but there is sort a--a
12 high cap for how much the rent can be increased from
13 improvements. So, a lot of times rent control
14 tenants we do see are being displaced because they
15 don't have quite the same protections of the Rent
16 Guidelines Board. Because they have a higher cap
17 that could be placed on them for improvements of the
18 building, for example.

19 COUNCIL MEMBER ULRICH: So which--which
20 of the tenants that--that we see, what type of
21 apartments do the tenants occupy that we see
22 sometimes in the news where they find some person
23 living, you know, on Park Avenue for \$300 a month? I
24 mean some ridiculously low amount of rent. Is--is
25

2 that a rent controlled apartment, or is that a rent
3 stabilized apartment.

4 AKINA YOUNGE: Without more--

5 COUNCIL MEMBER ULRICH: [interposing]

6 Generically, I'm not--you know, I'm not--

7 AKINA YOUNGE: Yeah, without more
8 information it would be hard to say.

9 COUNCIL MEMBER ULRICH: Rent control,
10 right? Is that what it is? [sic]

11 AKINA YOUNGE: Probably if the rent is
12 really that low, it's like that it's rent control
13 because of the area, yeah.

14 COUNCIL MEMBER ULRICH: [interposing] I
15 know those are few and far between. I know it's the
16 exception to the rule. I'm just asking, and is the
17 resolution today--

18 AKINA YOUNGE: [interposing] Yeah, and
19 lots of rent controlled tenants--

20 COUNCIL MEMBER ULRICH: --for
21 clarification calling on the State to strengthen rent
22 controlled apartments or rent stabilized apartments?

23 AKINA YOUNGE: I just--sorry--I just also
24 want to add that lots of rent-controlled tenants are
25 also immigrant families, low-income families so just

2 to re-emphasize what you had said yourself that this
3 is an anomaly having the billionaire who's living in
4 the rent-controlled apartment. I mean in our clinics
5 especially in Washington Heights we work with Mirabal
6 Sisters. I've talked to rent controlled tenants who
7 are very low-income Spanish speakers so--

8 COUNCIL MEMBER ULRICH: [interposing] I
9 mean, but there are people that do take advantage of
10 the system. There are people who make a lot of money
11 who live in--in nice apartments and pay very little
12 rent. And then there are people who are waiting on
13 lists who need affordable housing. I mean really
14 it's not fair to--to people who really need those
15 types of, you know, that type of housing. I'm not
16 here to debate the bill.

17 AKINA YOUNGE: [interposing] Okay.

18 COUNCIL MEMBER ULRICH: I just want to
19 know does the resolution call on the State to
20 strengthen rent control, the rent stabilized
21 apartments or both?

22 RAFAELA ZAPATA: Both.

23 CHAIRPERSON WILLIAMS: Primarily it does--
24 -It does for both? Primarily it affects rent
25 stabilized--

2 COUNCIL MEMBER ULRICH: [interposing]
3 Okay. All right.

4 CHAIRPERSON WILLIAMS: --but it is both.

5 COUNCIL MEMBER ULRICH: That's all. I
6 don't want to take up any more of your time.

7 AKINA YOUNGE: But there are, again,
8 there are some amendments about that cap that can be
9 levied on the controlled tenants.

10 COUNCIL MEMBER ULRICH: Okay.

11 CHAIRPERSON WILLIAMS: I would say,
12 Council Member--Council Member Ulrich, there is any
13 system I think, as you mentioned, has somebody who
14 takes advantage. But there is--it's less than one
15 percent of, when--whenever they do any kind of
16 studies it's like the a nominal amount. The--the--
17 the other thing is the rent protections people forget
18 about. It's not just a price cap. It's like the
19 issues of automatic lease renewal that allow you to
20 ask for repairs in your apartment without the fear of
21 being evicted. Which I think most tenants deserve
22 those types of protections regardless of--of their
23 income. But thank you, Council Member. Council
24 Member Torres.

2 COUNCIL MEMBER TORRES: [off mic] Why--
3 [on mic] One second [on mic] I'm Council Member
4 Torres. Why did the Assembly--and you might have new
5 insight into Albany politics. I don't know, but why
6 did the Assembly decline to pass a bill that appeals
7 vacancy decontrol? Especially given that the
8 Governor theoretically came out in favor of it? It's
9 pretty disappointing that the Assembly is only
10 raising the threshold rather than repealing vacancy
11 decontrol. So do you understand what's driving that
12 decision? I'm not--

13 ANDREW KIMBALL: Yeah, I unfortunately
14 don't have any more insight in that, but I do agree
15 with Council Member Torres it's important to note
16 that the Governor did recently comment saying that
17 part of his rent law platform is to fully repeal
18 vacancy decontrol. So that's something that's really
19 strong and in favor for advocates in the housing
20 world, and I think something that should be
21 remembered going forward.

22 CHAIRPERSON WILLIAMS: I would say,
23 Council Member Torres, I, too, wish that they put in
24 for just decontrol--deal with decontrol period. But
25 remember when it passed, the governor wasn't even

2 talking about strengthening. So, we--the Governor
3 just recently decided that he would join our cause
4 and he's kind of speaking another language.

5 COUNCIL MEMBER TORRES: When was it
6 passed.

7 CHAIRPERSON WILLIAMS: May 19th.

8 COUNCIL MEMBER TORRES: Yeah, I just felt
9 the Assembly should have--I mean the Governor--when
10 the Governor puts his political capital behind a
11 cause like the Safe Act, right, they ran it through

12 CHAIRPERSON WILLIAMS: It happens all the
13 time.

14 COUNCIL MEMBER TORRES: Yeah, I just wish
15 the Assembly has pushed him father but, you know.

16 CHAIRPERSON WILLIAMS: Me, too. Thank
17 you. Thank you so much for your testimony. And not
18 that she needs to two [sic] points, but we now--Karen
19 Koslowitz has actually gotten a couple extra two
20 points with that ringtone. It's great. [cell phone
21 rings] It's great. [laughter]

22 AKINA YOUNGE: [interposing] Oh, sorry.
23 I just hand one other quick thing. I do have copies
24 of a testimony that we had written out prior to a
25 discussion earlier this morning. And so,

2 unfortunately it at this time does say that we don't
3 support A.7526 because of the lack of language about
4 the full vacancy decontrol. But the testimony does
5 delineate some examples about how important an full
6 repeal of vacancy decontrol is. So if anyone would
7 like a copy, I can leave these here. But just wanted
8 to make sure that the caveat about what it says in
9 terms of us not supporting the bill has sort of
10 shifted in our testimony today.

11 CHAIRPERSON WILLIAMS: Well, thank you
12 for that. We appreciate it. Does anyone else have
13 questions? If not, thank you so much for your
14 testimony. Oh, Council--Council Member Koslowitz.

15 COUNCIL MEMBER KOSLOWITIZ: [off mic] I
16 just have a comment. [sic]

17 CHAIRPERSON WILLIAMS: Sure.

18 COUNCIL MEMBER KOSLOWITIZ: I have to say
19 that [coughs] I was in the Council in the '90s when
20 the vacancy decontrol went into effect, and
21 shamefully I'm sorry to say I voted for it because it
22 just seemed so far fetched to me that at that time
23 that much money--that much money was beyond my
24 comprehension. And since then, as I grew older, I
25 realized that that was a bad thing because I was

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2 coming very close to that number. So, I look forward
3 to building today.

4 CHAIRPERSON WILLIAMS: Thank you, Council
5 Member, and if there are no other questions, I will
6 ask the clerk to call the roll.

7 [pause]

8 CLERK: Committee Clerk--Committee Clerk
9 Matthew DeStefano, Committee on Housing and
10 Buildings. Roll call on the Preconsidered
11 Resolution. Council Member Williams.

12 COUNCIL MEMBER WILLIAMS: With a hope
13 that the Governor hear us, aye.

14 CLERK: Mendez.

15 COUNCIL MEMBER MENDEZ: Aye.

16 CLERK: Rodriguez.

17 COUNCIL MEMBER RODRIGUEZ: Aye.

18 CLERK: Koslowitz.

19 COUNCIL MEMBER KOSLOWITZ: Aye.

20 CLERK: Cornegy.

21 [background comments, pause]

22 CLERK: Espinal.

23 COUNCIL MEMBER ESPINAL: I vote aye.

24 CLERK: Reynoso.

25 COUNCIL MEMBER REYNOSO: I vote aye.

2 CLERK: Rosenthal.

3 COUNCIL MEMBER ROSENTHAL: Aye.

4 CLERK: Torres.

5 COUNCIL MEMBER TORRES: I vote aye.

6 CLERK: Ulrich.

7 COUNCIL MEMBER ULRICH: Chairman, I just
8 want to explain my vote for a second. I'm voting no
9 on the resolution. I think that respectfully this is
10 a broken system that the State is trying to address
11 in a patchwork manner, and there are good things in
12 this bill. There are bad things in this bill. It
13 doesn't solve the affordability crisis that we have
14 in the city, and I wish that we were voting on a
15 resolution that addressed all of the problems facing
16 the affordable housing crisis that we have in the
17 city. But because we're not, I will respectfully be
18 voting no on the resolution.

19 CLERK: By a vote of 8 in the
20 affirmative, 1 in the negative and no abstentions,
21 the item is passed.

22 CHAIRPERSON WILLIAMS: I just note that
23 who want to send updated testimony to the Committee,
24 Jim Wilcox in particular, you can do that. Thank you

2 to my colleagues. We're going to hold the vote open
3 for about 20 minutes. Thank you.

4 [background comments, pause]

5 CLERK: Continuation of roll call.

6 Council Member Cornegy.

7 COUNCIL MEMBER CORNEGY: I vote aye.

8 CLERK: Council Member Levine.

9 COUNCIL MEMBER LEVINE: I vote aye.

10 CLERK: The vote now stands at 10 in the
11 affirmative, 1 in the negative. Thank you.

12 CHAIRPERSON WILLIAMS: Thank you. The
13 hearing is now closed.

14 [gavel]

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C E R T I F I C A T E

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



Date June 12, 2015